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(Strictly Privileged &amp; Confidential)

(This Disclosure Document/Private Placement Offer cum application Letter is neither a Prospectus nor a Statement in Lieu of Prospectus)

**Dated: 11-Nov-2020**

<b>Name of Company</b>	EDELWEISS FINVEST LIMITED(formerly known as Edelweiss Finvest Private Limited)
<b>Description of Company</b>	Edelweiss Finvest Limited (EFL) was incorporated as a Private Limited company under the name and style of Arum Investments Private Limited on August 23, 2006 under the provisions of the Companies Act, 1956. The name of the Company was changed to Edelweiss Finvest Private Limited on June 15, 2016. The status of the Company was changed from Private Limited Company to Public Limited Company effective October 8, 2020. Consequently the name of the Company was changed to Edelweiss Finvest Limited. The Company received certificate of Registration as an NBFC from RBI on February 23, 2007
<b>Corporate Identity Number</b>	U65993MH2006PLC164007
<b>Registered Office</b>	Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiro Road, Kurla (West), Mumbai – 400070 Telephone: +91 22 4272 2200
<b>E-mail</b>	spinvestor@edelweissfin.com
<b>Website</b>	https://edelweissfinvest.edelweissfin.com

**PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY EDELWEISS FINVEST LIMITED(Formerly known as Edelweiss Finvest Private Limited) (THE "COMPANY" / "ISSUER") OF 5500 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 100,000/- EACH AGGREGATING TO RS 550,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE "ISSUE")**

<b>GENERAL RISKS</b>
Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must rely on their own examination of the Company and the Issue including the risks involved. The Securities and Exchange Board of India ("SEBI") does not take any responsibility for this Issue in any manner.
<b>GENERAL DISCLAIMER</b>
<p>This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the Company. This Disclosure Document is for the exclusive use of the intended recipient(s) to whom it is addressed and delivered and it should not be circulated or distributed to third parties. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same person / entity shall be deemed to be offered to the same person.</p> <p>Potential investors to Debentures must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt and are able to bear the economic/commercial risk of investing in Debentures. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Debentures. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Debentures under the relevant laws and regulations in force. Potential investors should conduct their own investigation, due diligence and analysis before applying for the Debentures. Nothing in this Debentures should be construed as advice or recommendation by the Issuer to subscribe to / invest in the Debentures. Potential investors should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Debentures and matters incidental thereto.</p> <p>No person has been authorized to give any information or to make any representation not contained in this Disclosure Document or in any material made available by the Company to any potential investors pursuant hereto and, if given or</p>

made, such information or representation must not be relied upon as having been authorized by the Company. This Disclosure Document is not intended for distribution to any person other than those to whom it is specifically addressed to and should not be reproduced by the recipient. Only the person to whom a copy of this Director Declaration is sent is entitled to apply for the Debentures. Any application by a person to whom the Director Declaration and/or the application form not been sent by the Company shall be rejected.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. The distribution of this Director Declaration and the offering and sale of the Debentures may be restricted by law in jurisdictions where the registered office of the Issuer is situated.

#### **SEBI DISCLAIMER**

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

#### **MEMORANDUM OF PRIVATE PLACEMENT**

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



#### CREDIT RATING

CARE PP-MLD A+ Stable [(pronounced as "CARE PP-MLD A Plus; Outlook: Stable] by CARE Ratings Limited ("CARE") for Rs. 100 Crore Principal Protected Market Linked Debenture issue. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term. The modifiers "+"(plus) or "-"(minus) reflect the comparative standings within the category.

CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the lifetime of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.

#### LISTING

The Debentures are proposed to be listed on the Wholesale Debt Segment of the BSE Limited ("BSE" or the "Stock Exchange").

#### ISSUE PROGRAMME\*

**ISSUE OPENS ON:**

**12-Nov-2020**

**ISSUE CLOSSES ON:**

**12-Nov-2020**

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

#### DEBENTURE TRUSTEE



Catalyst Trusteeship Limited  
 Windsor, 6th Floor, Office No.604,  
 C.S.T. Road, Kalina,  
 Santacruz (East),  
 Mumbai – 400098  
 Tel: +91 022 4922 0555  
 Fax: +91 022 4922 0505  
 E-mail: dt@cltrustee.com  
 Website: www.catalysttrustee.com  
 Contact Person: Mr. Umesh Salvi

#### REGISTRAR TO ISSUE



**KFin Technologies Private Limited**  
 Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli, Financial District, Nanakramguda,  
 Hyderabad - 500 032  
 Tel: +91 40 6716 2222  
 Fax: +91 40 2300 1153  
 E-mail : varghese@karvy.com  
 Website: https://karisma.karvy.com  
 Contact Person: Mr. P A Varghese, Zonal Head-Corporate  
 Registry

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

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

Sr. No.	Particulars	Reference
<b>Part –A</b>	<b>PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER:</b>	
<b>1.</b>	<b>GENERAL INFORMATION:</b>	
i.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	Serial No.2
ii.	Date of incorporation of the company;	Serial No.2
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	Serial No.3
iv.	Brief particulars of the management of the company;	Serial No.6
v.	Names, addresses, DIN and occupations of the directors;	Serial No.6
vi.	Management's perception of risk factors;	Serial No.18
vii.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –  i) statutory dues; ii) debentures and interest thereon; iii) deposits and interest thereon; iv) loan from any bank or financial institution and interest thereon.	Serial No.8(h)
viii.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;	Serial No.2
ix.	Any Default in Annual filing of the Company under the Companies Act, 2013, or the rules made thereunder.	No
<b>2</b>	<b>PARTICULARS OF THE OFFER:</b>	
i.	Financial position of the Company for the last 3 financial years;	Serial No.3 (c)
ii.	Date of passing of board resolution;	Refer Summary Termsheet
iii.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	
iv.	Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	
v.	Price at which the security is being offered including the premium, if any, along with justification of the price;	
vi.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;	Not Applicable
vii.	Relevant date with reference to which the price has been arrived at;	
viii.	The class or classes of persons to whom the allotment is proposed to be made;	Refer Summary Termsheet
ix.	Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer);	Not Applicable
x.	The proposed time within which the allotment shall be completed;	Refer Summary Termsheet
xi.	The names of the proposed allottees and the percentage of post private placement capital that may be held by them;	Not Applicable
xii.	The change in control, if any, in the company that would occur consequent to the private placement;	Not Applicable



Sr. No.	Particulars	Reference
xiii.	The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of number of securities as well as price;	Refer annexure
xiv.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer;	Not applicable
xv	Amount which the Company intends to raise by way of proposed offer of securities;	Refer Summary Termsheet
xvi	Terms of raising of securities: (a) duration; if applicable (b) rate of dividend; (c) rate of interest; (d) mode of payment (e) repayment;	
xvii	Proposed time schedule for which the private placement offer cum application letter is valid;	
xviii	Purposes and objects of the offer;	
xix	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	None
xx	Principle terms of assets charged as security, if applicable;	Refer Summary Termsheet
xxi	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations;	None
xxii	The pre-issue and post-issue shareholding pattern of the Company;	Not applicable
<b>3</b>	<b>MODE OF PAYMENT FOR SUBSCRIPTION:</b> • Cheque; or • Demand Draft; or • Other Banking Channels.	Serial No.17(c)
<b>4</b>	<b>DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC:</b>	
i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	No
ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	Serial No.12(b)
iii.	Remuneration of directors (during the current year and last three financial years);	Serial No.6
iv.	Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided;	Serial No.11(b)
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark;	Serial No.11(c)

Sr. No.	Particulars	Reference
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of Company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries;	Serial No.12(c)
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	Serial No.12(d)
<b>5</b>	<b>FINANCIAL POSITION OF THE COMPANY:</b>	
a	The capital structure of the company in the following manner in a tabular form- a. the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value); b. size of the present offer; c. Paid-up capital (i) after the offer (ii) after conversion of convertible instruments (if applicable) d. share premium account (before and after the offer)	Serial No.4(b)
b	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration	Serial No.4(c)
c	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter;	Serial No.11(e)
d	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	Serial No.11(f)
e	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter;	Serial No.3(c)
f	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter;	Serial No.10
g	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	Serial No.11(d)
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12.	Details of any material event/ development or change having implications on the financials/credit quality (which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.
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## 1. DEFINITIONS AND ABBREVIATIONS

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

Term	Description
<b>“Edelweiss Finvest Limited” or “EFL” or the “Company” or the “Issuer”</b>	Edelweiss Finvest Limited (formerly known as Edelweiss Finvest Private Limited), a public limited company incorporated under the Companies Act, 1956 as Arum Investments Private Limited and having its Registered Office at Tower 3, Wing ‘B’, Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai – 400070
<b>Articles of Association</b>	Articles of Association of the Company, as amended from time to time.
<b>Board of Directors/Board</b>	The Board of Directors of the Company and includes committee thereof.
<b>Memorandum of Association</b>	The Memorandum of Association of the Company, as amended from time to time.
<b>Promoter(s) / Holding Company</b>	Edelweiss Financial Services Limited, Holding Company
<b>Disclosure Document</b>	Offer Document / Information Memorandum / Private Placement Offer cum application Letter / Offer Letter as per Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013, Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and SEBI regulations.

### Issue Related Terms

Term	Description
<b>Affiliate (s)</b>	Affiliate(s) shall mean with respect to any person, any other person directly or indirectly Controlling, Controlled by, or under direct, indirect or common Control with, such person.
<b>AGM</b>	Annual General Meeting
<b>Application Form</b>	The form in which an investor can apply for subscription to the Debentures .
<b>BSE / Stock Exchange</b>	BSE Limited
<b>Bankers to the Issue</b>	The banker to the Issue, in this case being Citi Bank N.A. or ICICI Bank Limited or HDFC Bank, as the case may be.
<b>Beneficial Owner(s)</b>	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act.
<b>Calculation Agent</b>	Edelcap Securities Limited
<b>Category I</b>	Refers to the programme of the Issuer to accept subscription of less than INR 1,00,00,000 (Rupees One Crore Only) from each Investor
<b>Category II</b>	Refers to the programme of the Issuer to accept subscription of more than INR 1,00,00,000 (Rupees One Crore Only) from each Investor
<b>CDSL</b>	Central Depository Services (India) Limited.
<b>Companies Act</b>	Companies Act, 2013 and amendments made thereunder.
<b>Credit Rating Agency</b>	CARE Limited
<b>Events of Default</b>	The occurrence of any one of the events as mentioned in the Trust Deed shall constitute an Event of Default.
<b>Debentures</b>	<b>5500 Secured, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 100,000/- EACH AGGREGATING TO RS 550,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE “ISSUE”)</b>
<b>Debenture Holders</b>	Persons who are for the time being holders of the Debentures and whose names are last mentioned in the Debentures / Debenture Register and shall include Beneficiaries.

<b>Debenture Trust Deed</b>	Debenture Trust Deed between the Company and Catalyst Trusteeship Limited (the Debenture Trustees) as stated in the Summary Term Sheet
<b>Depository(ies)</b>	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL.
<b>Depositories Act</b>	The Depositories Act, 1996, as amended from time to time.
<b>Disclosure Document</b>	This Disclosure Document/Private Placement Offer cum application Letter through which the Debentures are offered on private placement basis
<b>DP-ID</b>	Depository Participant Identification Number.
<b>EGM</b>	Extra -ordinary General Meeting
<b>Equity Shares</b>	Equity shares of the Company of face value of Rs. 10 each.
<b>Edelweiss Infra Yield Plus Alternative (EIYP AIF)</b>	Units of Edelweiss Infrastructure Yield Plus (the "Fund") established as an irrevocable and determinate contributory trust under the provisions of the Indian Trusts Act, 1882 and the Indenture is registered under the Registration Act, 1908.
<b>FEMA</b>	Foreign Exchange Management Act, 1999, as amended, and the related rules and regulations framed thereunder
<b>FII</b>	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and registered with the SEBI under applicable laws in India.
<b>FPI</b>	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and registered with the SEBI under applicable laws in India.
<b>Gifts or Government Securities'</b>	Means securities created and issued by the Central Government and/or State Government (including treasury bill) or Government Securities as defined in the Public Debt Act, 1944 as amended from time to time.
<b>G-Sec</b>	Government security (G-Sec) means a security created and issued by the Government for the purpose of raising a public loan or any other purpose as notified by the Government in the Official Gazette and having one of the following forms.  i. a Government Promissory Note (GPN) payable to or to the order of a certain person; or ii. a bearer bond payable to a bearer; or iii. a stock; or a bond held in a Bond Ledger Account (BLA).
<b>GLD</b>	G-Sec Linked Debenture
<b>IISL</b>	India Index Services and Products Limited
<b>INR / Rs. / Rupees</b>	Currency of Republic of India
<b>Investors</b>	Persons who fall under the category of eligibility to whom this Information Memorandum may be sent with a view to offering the Debentures on Private Placement basis.

<b>IRF</b>	Interest Rate Futures means a standardized interest rate derivative contract traded on a recognized stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.  Eligible instruments for IRF: The Interest Rate Futures deriving value from the following underlying are permitted on the recognised stock exchanges:  (i) 91-Day Treasury Bills; (ii) 2-year, 5-year and 10-year coupon bearing notional Government of India security, and (iii) Coupon bearing Government of India security.
<b>IRFLD</b>	Interest Rate Futures Linked Debenture
<b>ISIN</b>	International Securities Identification Number
<b>Majority Debentureholders</b>	<b>Such</b> number of Debentureholders holding 75% of the outstanding nominal value of the Debentures issued under each Disclosure Documents(s).
<b>Mutual Funds</b>	As per SEBI (Mutual Funds) Regulations, 1996 "mutual fund" means a fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities including money market instruments or gold or gold related instruments or real estate assets
<b>NPA</b>	Non Performing Asset
<b>NEFT</b>	National Electronic Fund Transfer
<b>NLD</b>	Nifty Linked Debenture
<b>NSDL</b>	National Securities Depository Limited.
<b>NSE</b>	National Stock Exchange of India Limited.
<b>NRI</b>	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.
<b>OCB</b>	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under FEMA Regulations. OCBs are not permitted to invest in this Issue.
<b>PAS</b>	Prospectus and Allotment of Securities
<b>PAN</b>	Permanent Account Number.
<b>Preference Shares</b>	Preference shares of the Company of face value of Rs. 10 each.
<b>Private Placement</b>	Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a Company (other than by way of public offer) through issue of a private placement offer cum application letter and which satisfies the conditions specified in the Section 42 of the Companies Act, 2013 read with Rules framed thereunder
<b>RBI</b>	Reserve Bank of India
<b>Redemption Date</b>	(a) the date/s specified in the Disclosure Documents or (b) an Early Redemption Date on which the Debentures are required to be redeemed by the Company or (c) Partial Redemption Date on which debentures are required to be redeemed by face value as specified in the Disclosure Document;
<b>Registered Debenture Holder</b>	The Debenture holder whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
<b>Register of Debenture Holders</b>	The register maintained by the Company containing the name of Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date, which shall be maintained at the Corporate Office.
<b>Reference Index</b>	Reference Index is an Index prepared and managed by the Index Administrator which tracks the performance of a select portfolio of listed equity stocks, underlying securities /

	indices( as the case may be) that are available for trading on the Stock Exchange. This Index covers major sectors of the Indian economy and offers investors exposure to Indian market in one efficient portfolio. This index is not available for trading in the derivatives/cash segments directly.
<b>RTGS</b>	Real Time Gross Settlement
<b>SCRA</b>	Securities Contracts (Regulations) Act, 1956, as amended from time to time
<b>SEBI</b>	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
<b>SEBI Act</b>	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
<b>Security Documents</b>	Security documents entered into for creation of security for the benefit of the Debenture Holders.
<b>Valuation Agency</b>	The Company has entered into valuation agreement(s) with Credit Analysis and Research Limited ("CARE") and CRISIL Limited SEBI registered credit rating agencies.
<b>Working Days</b>	All days except Saturday, Sunday and any public holiday.
<b>Wilful Defaulter</b>	Wilful defaulter means an Issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an Issuer whose director or promoter is categorized as such.
<b>WDM</b>	Wholesale debt market

#### Events for Early Redemption:

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

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

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

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

**Hedging Disruption** means that the Issuer or any of its Affiliates or its Holding Company is unable, after using commercially reasonable efforts, to either (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Underlying price risk (or any other relevant price risk including,



but not limited to, the currency risk) of issuing and performing its obligations with respect to the Debentures, or (B) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions or the Debentures.

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

**Reference Index Modification Event** means any material change in composition of index or the mutual fund scheme/ method of computation of index as determined by the calculation agent or calculation of NAV of the relevant scheme by the mutual fund, which leads to substantially increased cost of hedging/ Hedging Disruption.

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

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

#### **Distribution Fees**

The Issuer will pay the distributor a distribution fee which shall not exceed 1.25% p.a. of the Principal Amount

**Disclosures as per Form no.PAS-4 pursuant to section 42 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Schedule – I SEBI (Issue and Listing of Debt Securities) Regulation, as amended (including Securities And Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011.**

## **2. ISSUER INFORMATION**

<b>Date of incorporation of the company</b>	August 23, 2006
<b>Registered Office</b>	Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai – 400070 Telephone: +91 22 4272 2200
<b>Compliance Officer</b>	Ms. Prachi Mathur
<b>Chief Financial Officer</b>	Mr. Deepak Kundalia
<b>Debenture Trustee of the Issue</b>	Catalyst Trusteeship Limited Windsor, 6th Floor, Office No.604, C.S.T. Road, Kalina, Santacruz (East),



	Mumbai – 400098 Tel: +91 022 4922 0555 Fax: +91 022 4922 0505 E-mail: dt@cltrustee.com Website: www.catalysttrustee.com Contact Person: Mr. Umesh Salvi
<b>Registrar of the Issue</b>	KFintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli ,Financial District, Nanakramguda, Hyderabad - 500 032
<b>Credit Rating Agency(ies) of the Issue</b>	Name: Credit Analysis & Research Limited Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022 Maharashtra, India
<b>Auditors of the Issuer</b>	S.R. Batliboi & Co. LLP Chartered Accountants 12th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028.

### 3. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

#### (a) Overview:

Edelweiss Finvest Limited (EFL) was incorporated as a Private Limited company under the name and style of Arum Investments Private Limited on August 23, 2006 under the provisions of the Companies Act, 1956. The name of the Company was changed to Edelweiss Finvest Private Limited on June 15, 2016. The status of the Company was changed from Private Limited Company to Public Limited Company effective October 8, 2020. Consequently the name of the Company was changed to Edelweiss Finvest Limited.

The Company is a Non Banking Financial Company (NBFC) registered with the Reserve Bank of India. The Company is primarily engaged in the business of engaged in the business of credit and investments. The Company is a subsidiary of Edelweiss Financial Services Limited.

At present, the Company offers the following loan products:

Loan against Securities;  
 Loan against Immovable Property;  
 Loan against assets;  
 Term Loan.

The Company is also investing in securities.

#### (b) Corporate Structure:

Edelweiss Financial  
Services Limited  
(Holding Company)  
100%



Edelweiss Finvest Limited  
*(formerly known as Edelweiss Finvest Private Limited)*

;

(c) Key Operational and Financial Parameters for the last three audited years and Half year ended September 30, 2020:



Parameters	(In ₹ million)			
	Half Year ended September 30, 2020 Unaudited	Financial Year ended March 31, 2020 Audited	Financial Year ended March 31, 2019 Audited	Financial Year ended March 31, 2018 Audited
Equity (Note 2)	9,874.09	10,374.63	10,351.50	8,489.92
Total Borrowings of which	10,287.07	13,673.37	22,774.11	26,330.82
Debt securities	9,941.37	13,160.17	22,275.76	17,970.76
Borrowings (other than debt securities)	192.81	352.11	337.18	8,198.80
Subordinated Liabilities	152.89	161.09	161.17	161.26
Property, Plant and Equipment and Other Intangible assets (Note 3)	4.65	6.24	7.70	1.13
Loans (net)	9,278.57	9,237.76	24,560.55	27,977.43
Investment (Including current in nature) (Note 4)	8,565.49	11,398.03	3,004.87	6,317.24
Financial assets (Note 5)	978.05	2,103.45	1,422.77	330.48
Non-financial assets (Note 6)	754.37	564.28	363.10	492.69
Cash and cash equivalents	1,133.00	1,415.29	4,620.10	313.74
Bank balances other than cash and cash equivalents	-	-	50.01	50.01
Financial liabilities (Note 7)	357.80	463.36	769.12	574.52
Non-financial liabilities (Note 8)	195.17	213.69	134.37	87.46
Interest Income	756.51	2,088.70	4,702.61	3,212.29
Net gain on fair value changes	355.39	1,095.16	265.60	(184.70)
Finance Costs	1,273.53	1,772.78	2,264.01	1,504.49
Impairment on financial instruments	285.70	500.31	119.59	917.43
Total Comprehensive Income	(500.61)	248.54	1,706.79	1,063.89
Stage 3 Loan Assets (Gross) to Loan Book (Gross) (%)	8.80%	8.4%	0.44%	1.76%
Stage 3 Loan Asset (net) to Loan Book (Gross) (%)	6.50%	6.6%	0.23%	0.05%
Tier I Capital Adequacy Ratio (%)	28.20%	19.05%	26.64%	21.92%
Tier II Capital Adequacy Ratio (%)	0.80%	0.80%	1.80%	1.43%
Debt: Equity Ratio (Note 9)				
Before the issue of debt securities *	<b>1.08</b>	<b>1.35</b>	<b>2.22</b>	<b>3.21</b>
Post issue of debt securities	<b>1.5737</b>	-	-	-

Notes: The below notes are applicable to the key operational and financial parameters as at and for the respective year ended on March 31, are as follows:

- The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, from 1 April 2018 and the effective date of such transition is 1 April 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding figures, presented in these results, have been restated/ reclassified.
- "Equity" refers to the aggregate of Equity share capital and other equity.
- "Property, Plant and Equipment and Other Intangible assets" refers to the aggregate of Property, Plant and Equipment and Other intangible assets.
- "Investment including current in nature" refers to aggregate of Investments and Securities held for trading
- "Financial assets" refers to the aggregate of Derivative Financial Instruments, Receivables and Other financial assets.
- "Non-financial assets" referred to the aggregate of Current tax assets (net), Deferred tax assets (net) and Other non-financial assets.
- "Financial liabilities" refers to the aggregate of Derivative financial instruments, Trade payables, and Other financial liabilities.
- "Non-financial liabilities" refers to the aggregate of Current tax liabilities (net), Provisions and Other non-financial liabilities.
- "Debt to equity ratio" refers to aggregate of Debt securities, Borrowings (other than debt securities), Subordinated Liabilities at the end of the period divided by Equity less deferred tax assets (net) at the end of the period.

(d) Project cost and means of financing, in case of funding of new projects: Not applicable

#### 4. A BRIEF HISTORY OF THE ISSUER

##### (a) History:

Edelweiss Finvest Limited (formerly known as Edelweiss Finvest Private Limited) was incorporated on August 23, 2006 in the name and style of "Arum Investments Private Limited", a Private Limited Company. The Company got registered with Reserve Bank of India as Non-Banking Finance Company not accepting public deposits on February 23, 2007. The name of the Company was changed to Edelweiss Finvest Private Limited w.e.f. June 15, 2016.

The status of the Company was changed from Private Limited Company to Public Limited Company effective October 8, 2020. Consequently the name of the Company was changed to Edelweiss Finvest Limited.

The Company is primarily engaged in the business of credit and investments.

##### (b) Capital Structure of the Company as on September 30, 2020:

###### Share Capital

Particulars	Amount (Rs. in Crores)
<b>A. Authorised Capital</b>	
3,50,00,000 Equity shares of Rs. 10 each	35.00
<b>Total</b>	<b>35.00</b>
<b>B. Issued, Subscribed and Paid Up Capital</b>	
3,33,25,875 Equity shares of Rs. 10 each	33.32
<b>Total</b>	<b>33.32</b>
Paid up capital (A) after the offer; (B) after conversion of convertible instruments (if applicable) (d) share premium account (before and after the offer)	N.A

##### (c) Change in share capital as on September 30, 2020 (for last five years):

###### i. Authorized Share Capital and the changes therein:

Date of Change (AGM/EGM)	Amount in Rs.	Particulars / Remarks
EGM – March 31, 2018	-	Re-classification of 1,05,61,539 Preference Shares of the face value of Rs. 10/- each, forming part of the existing Authorised Share Capital of the Company into 1,05,61,539 Equity Shares of Rs. 10/- each.
EGM – December 31, 2017	-	Re-classification of 1,16,79,000 Preference Shares of the face value of Rs. 10/- each, forming part of the existing Authorised Share Capital of the Company into 1,16,79,000 Equity Shares of Rs. 10/- each

###### ii. Equity Share Capital and the changes therein:

Date of Allotment	No. of Equity	Face Value	Issue Price (Rs.)	Nature of Consideration	Reasons for Allotment	Cumulative No. of	Cumulative Paid-up	Cumulative	Remarks
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	Shares	(Rs.)		ration		Equity Shares	Share Capital (Rs. In Cr)	Share Premium (Rs. In Cr)	
August 1, 2017	8279275 -	10	178.35	Pursuant to the Scheme of Arrangement –	Pursuant to the Scheme of Arrangement	11085273	110852730	----	----
December 31, 2017	11,679,063	10	10	Pursuant to Conversion of Compulsory Convertible Preference Shares (CCPS A & CCPS B)	Pursuant to Conversion of Compulsory Convertible Preference Shares (CCPS A & CCPS B)	22764336	227643360	---	----
March 31, 2018	1,05,61,539	10	10	Pursuant to Conversion of Compulsory Convertible Preference Shares (CCPS C)	Pursuant to Conversion of Compulsory Convertible Preference Shares (CCPS C)	22764337	3,33,25,875	-	-

(d) Details of any acquisitions or amalgamation in the last one year: None

(e) Details of any reorganization or reconstruction in the last one year: none

#### 5. DETAILS OF THE SHAREHOLDING PATTERN AS ON September 30, 2020

(a) Equity Shareholding pattern of the Company as on September 30, 2020:

Sr. No.	Particulars	Total No. of Equity Shares	Total Shareholding as % of total no. of Equity Shares
1	Edelweiss Financial Services Limited*	3,33,25,875	100
	<b>Total</b>	<b>3,33,25,875</b>	<b>100</b>

\* including 6 shares held by nominees of Edelweiss Financial Services Limited.

(b) List of Top 10 holders of Equity Shares of the Company as on September 30, 2020:

Sr. No.	Name of Shareholder	No. of Equity Shares held	% of Share Holding
1	Edelweiss Financial Services Limited*	3,33,25,875	100
	<b>Total</b>	<b>3,33,25,875</b>	<b>100</b>

\* including 6 shares held by nominees of Edelweiss Financial Services Limited.

**6. BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY: NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON September 30, 2020:**



Edelweiss  
 Ideas create, values protect

Sr. No.	Name, Designation, DIN, Nationality, Occupation and Address	Age (Years)	Date of Appointment	Other Directorships
1	<b>Mr. Amit Dhawan</b> <b>Designation : Managing Director &amp; Chief Executive Officer</b> <b>DIN : 02800746</b> <b>Nationality : Indian</b> <b>Occupation : Service</b> <b>Address : C-50, Second Floor, Gulmohar Park South Delhi 110049.</b>	46	07/08/2018	Nil
2	<b>Ms. Puja D'souza</b> <b>Designation : Director</b> <b>DIN : 05136515</b> <b>Nationality : Indian</b> <b>Occupation : Service</b> <b>Address: Sunflower, Flat No-602, Regency Garden, Chsl, Sector-6, Plot No-10, Kharghar, Raigarh 410210.</b>	39	27/03/2015	1. Edelweiss Global Wealth Management Limited; and 2. Edelweiss Broking Limited
3	<b>Mr. Ashish Kehair</b> <b>Designation : Director</b> <b>DIN : 07789972</b> <b>Nationality : Indian</b> <b>Occupation : Service</b> <b>Address: M 1602, Jade Garden, Gandhi Nagar Near Kala Nagar Bandra East Mumbai 400051.</b>	44	23/05/2018	1. ESL Securities Limited; and 2. Edelweiss Securities Limited
4	<b>Mr. Sunil Phatarphekar</b> <b>Designation : Independent Director</b> <b>DIN : 00005164</b> <b>Nationality : Indian</b> <b>Occupation : Service</b> <b>Address: 501/502 Satguru Simran, 3rd Road Almeida Park, Bandra West, Mumbai 400050</b>	56	01/04/2020	1. Ajit Balakrishnan Estates and Securities Private Limited; 2. Rediffusion Brand Solutions Private Limited; 3. Everest Brand Solutions Private Limited; 4. Rediffusion Direct Private Limited; 5. Quintrol Technologies Private Limited; 6. Edelweiss Retail Finance Limited; 7. Ajit Balakrishnan Foundation; And 8. Edelweiss Housing Finance Limited.
5	<b>Mr. Bharat Bakshi</b> <b>Designation : Independent Director</b> <b>DIN : 07648220</b> <b>Nationality : Indian</b> <b>Occupation : Service</b> <b>Address: 1209(L) Navjivan Commercial Building, Lamington Road, Mumbai - 400 008.</b>	57	15/03/2018	ECap Equities Limited

**(a) Change in Directors since last three years (i.e. 2017-18, 2018-18 and 2019-20):**

Name, Designation	DIN	Date of Appointment/ Re-appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
<b>Mr. Amit Dhawan</b> Designation : Managing Director & Chief Executive Officer	02800746	07/08/2018	-	Appointment
<b>Mr. Ashish Kehair</b> Designation : Non -Executive Director	07789972	23/05/2018	-	Appointment
<b>Mr. Bharat Bakshi</b> Designation : Independent Director	07648220	15/03/2018	-	Appointment
<b>Mr. Ravindra Ankam</b> Designation : Independent Director	03210147	15/03/2018	27/03/2015	Resignation
<b>Mr. Sanjay Shah</b> Designation : Independent Director	00003142	14/01/2020	27/03/2015	Resignation
<b>Ms. Puja D'souza</b> Designation : Non -Executive Director	05136515	27/03/2015	-	Appointment
<b>Mr. Ashish Pithawala</b> Designation : Non -Executive Director	00016547	21/09/2016	07/02/2013	Resignation
<b>Mr. Parag Kothari</b> Designation : Non -Executive Director	05158699	21/09/2016	29/12/2011	Resignation
<b>Mr. Avadh Behari Tandon</b> Designation : Non- Executive Director	00041407	10/12/2016	18/04/2013	Resignation
<b>Mr. Suneel Vohra</b> Designation : Non- Executive Director	00222705	10/12/2016	16/05/2011	Resignation
<b>Mr. Kulbir Singh Rana</b> Designation : Non –Executive Director	03280892	25/10/2018	21/09/2016	Resignation
<b>Mr. Hari Ram Misra</b> Designation : Non –Executive Director	07599248	23/05/2018	21/09/2016	Resignation
<b>Mr. Shrikant Subbarayan</b> Designation : Non –Executive Director	05225191	12/08/2019	25/10/2018	Resignation
<b>Mr. Kunnasagaran Chinniah</b> Designation : Independent Director	01590108	25/10/2018	December 12, 2019	Resignation
<b>Mr. Sunil Phatarphekar</b> Designation: Independent Director	00005164	01/04/2020		Appointment

**Confirmations**

- None of the Directors are identified as willful defaulters by the RBI, ECGC or any government authority.
- Neither the Issuer nor any of its Promoters or Directors has been declared as a willful defaulter.
  - Name of the bank declaring the entity as a wilful defaulter: Not Applicable
  - The year in which the entity is declared as a wilful defaulter: Not Applicable
  - Outstanding amount when the entity is declared as a wilful defaulter: Not Applicable
  - Name of the entity declared as a wilful defaulter: Not Applicable
  - Steps taken, if any, for the removal from the list of wilful defaulters: Not Applicable
  - Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions: Not Applicable
  - Any other disclosure as specified by the Board: Not Applicable.

**Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the**



effect of such interest in so far as it is different from the interests of other persons. NIL

#### Debenture holding of Directors:

As on date, none of our Directors hold any debentures in the Company.

#### Remuneration of the Directors

No remuneration has been paid to the Directors except sitting fees for attending Board and Committee meetings during the last three financial years:

Sr. No.	Name of the Director	March 31, 2020 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
1.	Mr. Ravindra Ankam	-	-	1,20,000
2.	Mr. Sanjay Shah	3,00,000	2,40,000	1,30,000
3.	Mr. Bharat Bakshi	3,20,000	2,30,000	20,000
4.	Mr. Kunna Sagar Chhinnah	1,40,000	20,000	-

### 7. DETAILS OF AUDITORS OF THE COMPANY

#### (a) Details of the auditor of the Company

Name	Address	Auditor since
S.R. Batliboi & Co. LLP Chartered Accountants	14th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028.	May 23, 2018

#### (b) Details of changes in auditors since last three years :

Name	Address	Tenure
BSR & Associates Chartered Accountants	Lodha Excelus, 5th Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400 011.	Up to 20 July, 2017
Price Waterhouse Chartered Accountants LLP	252, Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai – 400 028.	From 20 July, 2017 to May 22, 2018
S.R. Batliboi & Co. LLP Chartered Accountants	14th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028.	From May 23, 2018

### 8. DETAILS OF BORROWINGS AS on September 30, 2020

#### (a) Details of Secured Loan Facilities :

Lender's name	Type of facility	Amount sanctioned	Principal amount outstanding	Repayment Date / Schedule	Security
Non convertible debentures	-	-	9,704,500,000	Refer Annexure	Financing receivable, securities held for trading,
Term loans from bank	Term Loan	500,000,000	250,000,000	In 20 installments of Rs. 2.5 crs each per quarter	Financing receivable, securities held for trading
<b>Total</b>			9,954,500,000		

**(b) Details of Unsecured Loan Facilities as on September 30, 2020**

Lender's Name	Type of Facility	Amount Sanctioned	Principal amount outstanding	Repayment Date / Schedule
Non convertible debentures			2,785,000,000	
Subordinated Debt			150,000,000	
Loan from Fellow Subsidiary Company			584,753	
Inter corporate loan			0	
<b>Total</b>			2,935,584,753	

**(c) Details of Non Convertible Debentures: Refer Annexure**
**(d) List of Top 10 Debenture holders as on September 30, 2020**

Sr.No.	NAME	AMOUNT IN LAKH
1	EDELWEISS FINVEST LIMITED	12075
2	EDELWEISS CUSTODIAL SERVICES LIMITED	7000
3	ECL FINANCE LIMITED	5600
4	FOOD CORPORATION OF INDIA CPF TRUST	4900
6	INDIAN OIL CORPORATION LTD (REFINERIES DIVISION) EMPLOYEES PROVIDENT FUND	4700
7	ADECCO EMPLOYEES PROVIDENT FUND TRUST	3000
8	KAVERY KALANITHI	2500
9	MTNL GPF TRUST	2500
10	INDIAN OIL CORPORATION LTD (REFINERIES DIVISION) EMPLOYEES PROVIDENT FUND	2500

**(e) The amount of corporate guarantee issued by the issuer along with name of the counter party (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued:**

None

**(f) Details of Commercial Paper :**

The total face value of Commercial Papers outstanding as on September 30, 2020:

NIL

**(g) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2020:**

NIL

**(h) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, loans from any bank or financial institutions, deposits, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past five years :**

NONE

**(i) Details of outstanding borrowings taken / debt securities issued where taken / issued (a) for consideration other than cash, whether in whole or part, (b) at premium or discount, or (c) in pursuance of an option**

The Issuer has not issued any debt securities or has any outstanding borrowings taken: (i) for consideration other than cash, whether in whole or part; or (ii) in pursuance of an option as on September 30, 2020.

As on September 30, 2020, the Issuer has issued debt securities at a premium as per the table below:

Date of Issue	PRODUCT CODE	NoOfDebentures	Face Value	Premium/Discount Per Debenture (INR)	Aggregate Premium(INR)
29-Mar-19	D0A801A58	951	100000	9114	8667414
19-Apr-18	A8A801A07	2500	100000	2534	6335000
08-Feb-19	L1A801A18	2554	100000	1959	5003286
03-May-18	A8A801A10	1640	100000	2889	4737960
25-Apr-18	A8A801A08	1350	100000	2686	3626100
31-May-18	A8A801A11	1000	100000	3598	3598000
10-Jul-18	C1E801A08	964	100000	3722	3588008
27-Feb-18	A8A801A04	2500	100000	1242	3105000
27-Feb-19	L1A801A23	828	100000	3409	2822652
30-Jul-18	L0E701A15	493	100000	5706	2813058
16-Oct-18	L0E701A17	500	100000	5008	2504000
08-Jun-18	D0A801A14	925	100000	2693	2491025
14-Feb-18	A8A801A03	2400	100000	912	2188800
31-Aug-18	D0A801A19	477	100000	4449	2122173
14-Jun-19	D0A801A61	180	100000	11223	2020140
18-Apr-18	L0E701A08	956	100000	2070	1978920
18-May-18	C1E801A06	1250	100000	1554	1942500
18-Jan-19	L1A801A12	1698	100000	1050	1782900
20-Mar-19	D0A801A53	200	100000	8870	1774000
30-May-18	L0E701A09	605	100000	2887	1746635
31-Jan-19	L1A801A17	1450	100000	1203	1744350
08-Jun-18	L0E701A11	500	100000	3028	1514000
26-Jul-18	C1D801A10	500	100000	2843	1421500
30-Jul-18	D0A801A16	345	100000	4071	1404495
06-Feb-19	D0A801A42	188	100000	7390	1389320
02-May-19	D0A801A59	137	100000	10041	1375617
23-Feb-18	I1C801A03	2585	100000	531	1372635
25-Dec-18	D0A801A33	189	100000	6321	1194669
02-May-19	C1D801A27	139	100000	8349	1160511
13-Mar-18	A8A801A06	700	100000	1597	1117900
30-Jul-18	C1D801A09	341	100000	3213	1095633
31-Aug-18	C1D801A13	314	100000	3418	1073252
15-May-19	D0A801A60	100	100000	10689	1068900
21-Aug-18	D0A801A21	250	100000	4202	1050500
08-Feb-19	D0A801A44	140	100000	7098	993720
27-Mar-19	D0A801A56	100	100000	9060	906000
21-Dec-18	C1D801A20	256	100000	3535	904960

14-Mar-19	D0A801A51	91	100000	9600	873600
03-Dec-18	D0A801A30	141	100000	6012	847692
05-Feb-18	A8A801A02	1250	100000	675	843750
24-May-19	C1D801A28	92	100000	8943	822756
01-Feb-19	D0A801A41	117	100000	6903	807651
29-Aug-18	I1C801A20	100	100000	7979	797900
08-Mar-19	D0A801A48	93	100000	8546	794778
01-Mar-19	D0A801A47	94	100000	8357	785558
26-Mar-19	C1D801A26	94	100000	7357	691558
12-Apr-18	D0A801A06	392	100000	1761	690312
11-May-18	C1E801A05	500	100000	1369	684500
30-Aug-18	C1D801A14	200	100000	3394	678799
26-Mar-19	D0A801A57	68	100000	9939	675852
30-Oct-18	D0A801A27	119	100000	5528	657832
01-Mar-18	A8A801A05	500	100000	1292	646000
25-Jun-18	C1E801A07	152	100000	4244	645088
18-Mar-19	D0A801A52	73	100000	8816	643568
06-Apr-18	I1C801A08	294	100000	2175	639450
15-May-18	D0A801A11	250	100000	2527	631750
30-Jul-18	I1C801A18	100	100000	6262	626200
30-Oct-18	C1D801A19	149	100000	4196	625204
25-Jan-19	L1A801A15	737	100000	840	619080
08-Jun-18	I1C801A14	147	100000	4201	617547
15-Jan-19	D0A801A38	94	100000	6429	604326
28-Feb-18	I1C801A04	773	100000	781	603713
06-Aug-18	D0A801A17	143	100000	4110	587730
10-Jan-19	L1A801A07	1029	100000	507	521703
01-Feb-19	L1A801A19	375	100000	1389	520875
24-Jul-18	C1E801A10	100	100000	5149	514900
30-Jan-19	C1D801A22	110	100000	4622	508420
12-Sep-18	D0A801A24	100	100000	4745	474500
26-Apr-18	D0A801A10	225	100000	2086	469350
04-Jun-18	L0E701A10	150	100000	2952	442800
16-Nov-18	D0A801A28	72	100000	5565	400680
21-Feb-19	D0A801A45	50	100000	7801	390050
14-May-18	J1D803A02	500	100000	769	384500
29-Jun-18	B2H801A02	363	100000	1000	363000
22-Mar-19	D0A801A54	40	100000	8924	356960
19-Sep-18	H1I801A07	350	100000	1000	350000
27-Jun-18	I1C801A17	104	100000	3347	348088
09-Jul-18	L0E701A14	100	100000	3477	347700
28-Sep-18	C1D801A16	79	100000	4104	324216
02-May-18	I1C801A10	100	100000	3057	305700
25-Apr-18	J1D803A01	1000	100000	298	298000

31-Jul-18	C1D801A11	100	100000	2963	296300
28-Mar-18	I1C801A07	523	100000	514	268822
08-May-18	I1C801A11	100	100000	2597	259700
16-May-18	D0A801A12	97	100000	2551	247447
15-Feb-18	I1C801A01	497	100000	486	241542
18-Apr-18	D0A801A09	125	100000	1900	237500
31-Jan-18	D0A801A03	500	100000	470	235000
28-Dec-18	C1D801A21	48	100000	4872	233856
26-Sep-18	H1I801A11	225	100000	1000	225000
26-Feb-19	D0A801A46	23	100000	9148	210404
11-May-18	C1D801A04	200	100000	1033	206600
16-Apr-18	L0E701A06	100	100000	1996	199600
26-Apr-18	C1E801A03	100	100000	1916	191600
16-Apr-18	D0A801A08	100	100000	1854	185400
12-Apr-19	I1C801A28	48	100000	3849	184752
25-Feb-19	L1A801A24	50	100000	3675	183750
30-May-18	D0A801A13	63	100000	2878	181314
11-Jan-19	D0A801A37	28	100000	6318	176904
18-Jan-19	D0A801A39	24	100000	7338	176112
30-Jan-19	L1A801A16	259	100000	651	168609
28-Feb-18	L0E701A04	147	100000	1144	168168
07-Jun-18	C1D801A05	100	100000	1672	167200
18-Apr-18	C1D801A03	335	100000	492	164820
28-Mar-18	L0E701A05	98	100000	1661	162778
20-Jun-18	B2H801A01	276	100000	542	149592
14-Mar-18	D0A801A05	125	100000	1093	136625
10-Dec-18	D0A801A31	25	100000	5055	126375
07-May-18	C1E801A04	100	100000	1263	126300
10-Oct-18	C1E801A14	23	100000	5473	125879
06-Apr-18	C1D801A01	300	100000	210	63000
08-Mar-19	I1C801A27	28	100000	1882	52696
11-Jan-19	L1A801A10	94	100000	450	42300
23-Jan-19	L1A801A14	25	100000	950	23750
28-Mar-18	C1E801A02	100	100000	201	20100
08-Jan-19	L1A801A08	50	100000	378	18900
15-Jun-18	I1C801A16	25	100000	682	17050
16-Mar-18	I1C801A05	100	100000	138	13800
16-Feb-18	I1C801A02	100	100000	129	12900
05-Jan-18	L0E701A01	100	100000	125	12500
04-Jan-19	L1A801A06	151	100000	35	5285

As on September 30, 2020, the Issuer has issued debt securities at a discount as per the table below:

Date of Issue	PRODUCT CODE	NoOfDebentures	Face Value	Premium/Discount Per Debenture (INR)	Aggregate Discount(INR)
23-Aug-19	I1C801A29	33	100000	52	1716
22-Feb-19	I1C801A26	33	100000	71	2343
06-Feb-19	L1A801A20	20	100000	2500	50000
06-Nov-18	H1I801A24	10	100000	5060	50600
28-Dec-18	H1I801A30	26	100000	2617	68042
03-Oct-18	H1I801A13	80	100000	1000	80000
21-Dec-18	H1I801A29	26	100000	3093	80418
11-Jan-19	H1I801A32	26	100000	3352	87152
18-Jan-19	H1I801A33	56	100000	2382	133392
14-Dec-18	H1I801A27	59	100000	3306	195054
04-Oct-18	H1I801A12	100	100000	2000	200000
07-Dec-18	H1I801A26	77	100000	3563	274351
07-Dec-18	B2H801A09	52	100000	5489	285428
16-Oct-18	H1I801A15	100	100000	3868	386800
30-Nov-18	H1I801A22	128	100000	3150	403200
04-Jan-19	H1I801A31	79	100000	5250	414750
22-Nov-18	H1I801A25	103	100000	4124	424772
19-Oct-18	H1I801A16	104	100000	5177	538408
05-Oct-18	H1I801A14	154	100000	3663	564102
04-Oct-18	B2H801A05	100	100000	6103	610300
29-Jan-19	L1A801A13	207	100000	2950	610650
28-Sep-18	B2H801A04	500	100000	1404	702000
31-Oct-18	H1I801A17	184	100000	3835	705640
26-Oct-18	H1I801A19	107	100000	6823	730061
28-Sep-18	H1I801A05	832	100000	1000	832000
01-Oct-18	B2H801A03	260	100000	3963	1030380
10-Oct-18	H1I801A18	300	100000	4393	1317900
01-Jan-19	L1A801A05	385	100000	3500	1347500
30-Oct-18	B2H801A07	364	100000	3854	1402856
25-Sep-18	H1I801A08	475	100000	3184	1512400
24-Dec-18	L1A801A02	460	100000	3500	1610000
17-Sep-18	H1I801A10	618	100000	2750	1699500
24-Dec-18	H1I801A28	183	100000	9756	1785348
31-May-17	E0E706A	480	100000	4000	1920000
14-Jan-19	L1A801A11	705	100000	3500	2467500
27-Dec-18	A8A801A12	400	100000	10109	4043600
31-Dec-18	L1A801A04	2464	100000	3500	8624000

## 9. Details of Promoters of the Company :

### (a) Details of Promoter holding in the Company as on September 30, 2020

Sr. No.	Name of Shareholders	Total no. of Equity Shares	No. of shares in demat form	Total Shareholding as % if total no. of equity shares	No of shares pledged	% of shares pledged with respect to shares owned
1.	Edelweiss Financial Services Limited*	3,33,25,875	3,33,25,875	100	-	-

\* including 6 shares held by nominees of Edelweiss Financial Services Limited.

### 10. Abridged version of Audited Consolidated (wherever available) and Standalone Financial information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

Refer Annexure

### 11. (a) Abridged version of Latest Audited / Limited Review Half Yearly consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement and Balance Sheet) and auditor's qualifications, if any.

Refer Annexure

### (b) Related party transactions entered during the last three financial years immediately preceding the year of circulation of Disclosure Document including with regard to loans made or, guarantees given or securities provided.

Refer Annexure

### (c) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Disclosure Document and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

Nil

### (d) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

None

### (e) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of Disclosure Document: Refer Annexure

Particulars		(Currency: Indian rupees in Million) - For the year ended			
		September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Profit before tax	A	(597.72)	317.71	2543.31	1281.39
Current tax (Net)	B	0	216.37	670.70	477.90
Deferred tax expense / (credit) (net)	C	(97.10)	(147.04)	164.87	(260.35)
Total Tax	D=B-C	(97.10)	69.33	835.04	217.55
Profit for the year from continuing operations E=A-D		(500.62)	248.38	1708.02	1063.84

**(f) Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):** No dividend declared

- 12. (a) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.**

Edelweiss Financial Services Limited, the ultimate Holding Company of the Issuer, and other merchant bankers in the matter of Initial Public Offer of Credit Analysis and Research Limited (together referred to as the "Appellants") have filed an appeal before the Securities Appellate Tribunal, Mumbai ("SAT") against the impugned order dated November 28, 2014 ("Order"). SEBI vide Order had imposed the maximum penalty prescribed under Section 15 HB of the SEBI Act amounting to INR 1,00,00,000/ jointly and severally on the Appellants for the violation of Clause 1 of Form C of Schedule VI of Regulation 8 (2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Regulation 13 read with clause 1, 4, 6, 7 and 20 of Code of Conduct for Merchant Bankers as specified in Schedule III of the SEBI (Merchant Bankers) Regulations 1992. Aggrieved, the Appellants have filed the Appeal inter alia to set aside the order and to stay the Order. The Securities Appellate Tribunal by a majority order dated September 30, 2016 has set aside the order passed by SEBI as well as the penalty imposed on the merchant bankers.

Edelweiss Financial Services Limited, the ultimate Holding Company of the Issuer, Axis Capital Limited and SBI Capital Markets Limited ("Appellants"/ "Merchant Bankers") had filed an appeal before the Securities Appellate Tribunal, Mumbai ("SAT") on May 19, 2016 to, *inter alia*, set aside an order dated March 31, 2016 ("Order") passed by an adjudicating officer of SEBI ("Respondent") and to grant an interim stay on the Order. The Respondent vide the Order had imposed a penalty of Rs. 1,00,00,000/ jointly and severally on the Appellants for violation of Regulation 57(1), Regulation 57(2)(a)(ii) and Regulation 64(1) of the SEBI ICDR Regulations and Regulation 13 of the SEBI (Merchant Bankers) Regulations, 1992 ("MB Regulations") in relation to certain disclosure requirements set forth under the SEBI ICDR Regulations and adherence to the code of conduct set forth under the MB Regulations for the merchant bankers, respectively, in the initial public offer of Electrosteel Steels Limited. SAT vide its order dated November 14, 2019, has reduced the penalty amount from Rs. 1,00,00,000/ to Rs. 50,00,000/. The penalty of Rs. 50,00,000/ imposed on the Merchant Bankers has been paid jointly.

- (b) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Disclosure Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.**





Name	Forum	Facts in brief	Approximate value
EOW Mumbai  Notice under Sec 91 of Cr PC	Economic Offences Wing, Mumbai	<p>EFSL received a notice dated 17 September 2019 from the office of the Property Cell, Detection Crime Branch, CID, Mumbai under Section 91 of the CRPC <i>inter alia</i> informing that Detection Crime Branch is investigating an offence <i>vide</i> D.C.B., C.I.D., C.R. No 64/2019 under Section 419, 420, 465, 467, 468, 471 read with 34 and 120B of IPC and during investigation it was revealed that the arrested accused, namely Pravin Rameshbhai Bhatt had prepaid and applied to EFSL for housing loan. It was further informed that based on said fake documents, EFSL sanctioned the housing loan of INR 27,36,700 and disbursed the said amount in February 2019. The investigating officer has directed EFSL to furnish necessary information and documents in respect of the said loan.</p> <p>Required documents were furnished to Economic Offences Wing. Recording of statement of EFSL official is in process. The matter is pending. EFSL has not been named in the investigation but has only been asked to furnish the requisite documents and information. There has been no correspondence from the Economic Offences Wing after such information/ documents were furnished.</p>	NA
Director of Enforcement, Govt. of India Jalandhar	Provisional attachment order	<p>EFSL has been served with provisional attachment order No. 01 of 2020 dated 18 May 2020 from the office of the Director of Enforcement, Govt. of India Jalandhar under various provisions of Prevention of Money Laundering Act, 2002 against the immovable properties and investments of Kuldeep Singh (client), Vikram Seth and other family members, based on FIR registered by CBI, ACB, Chandigarh against these individuals under the various provisions of the IPC such as criminal conspiracy, cheating, forgery of valuable security for the purpose of cheating, used of forged documents as genuine etc. alleging siphoning off of about INR 20.31 crores from Bank of Baroda, Phagwara Branch.</p> <p>While the order has been served to EFSL, it relates to a nonperforming asset taken over by –EARC being mortgaged of open plots/agriculture lands situated at Urmil enclave and other places having aggregate registered value of about 1.83 crores as per Order from State Bank of India in its ordinary course of business. Thus, the attachment order has been served against properties of accused to EFSL.)</p> <p>On or about 03.09.2020, 2020, EFSL has been served show cause notice dated 10.07.2020 under Section 8 of PMAL Act, from Adjudication Authority (PMLA) <i>inter-alia</i> inquiring about source of income, earning or assets by means Company acquired attached property alongwith supporting evidence/documents.</p>	INR 1.83 crores

(c) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Disclosure Document in the case of Company and all of its subsidiaries. NIL

(d) Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company. NIL

**(e) Prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Disclosure Document and if so, section wise details thereof for the Company and all of its subsidiaries. NIL**

### **13. Debenture Trustee:**

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

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

A copy of the consent letter is enclosed as Annexure

### **14. Credit Rating and Rating Rationale(s):**

The rating rationale/letter adopted/issued by the Rating Agency is enclosed as Annexure

The rating rationale can be accessed from the website of the rating agency.

### **15. Details of guarantee / letter of comfort or any other document / letter with similar intent**

Not Applicable

### **16. Names of all the recognised stock exchanges where the debt securities are proposed to be listed and the designated stock exchange:**

The Debentures are proposed to be listed on BSE. The designated stock exchange is the BSE.

### **17. Other details**

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

The Debenture Redemption Reserve shall be as per the provisions of the Companies Act, 2013 and the applicable Rules as amended from time to time specified for Nonbanking Financial Companies. The Company being RBI Licenced NBFC is exempted from creating the DRR.

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

- The Companies Act, 2013 and the applicable Rules as amended from time to time;
- SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended from time to time;
- SEBI (Listing Obligation & Disclosure requirement) Regulations, 2015 and amendments thereafter;
- SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011;
- SEBI Circular CIR/IMD/DF/17/2013 dated October 22, 2013;
- SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 to the extent applicable;
- SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and amendments thereafter;
- SEBI Circular CIR/IMD/DF1/122/2016 dated November 11, 2016 and amendments thereafter.
- SEBI Circular CIR/IMD/DF1/ 67 /2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.
- SEBI Circular SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018, and amendments thereafter;
- RBI Notification No. DNBR.(PD) 006 /GM(MSG)2015 dated February 20, 2015 and amendments thereafter;
- RBI Circular RBI/201314/402 IDMD.PCD. 08/14.03.01/201314 and RBI Notification No. IDMD.PCD.07/ED(RG) – 2013 dated December 5, 2013 and amendments thereafter;

#### **(c) Application for the Debentures**

##### **How to Apply**

Applications for the Debentures must be made in the Application Form and must be completed in block letters in English by investors. Application Forms must be accompanied by a cheque or electronic fund transfer instruction drawn or made

payable in favour of " EDELWEISS FINVEST LIMITED" and marked 'A/c Payee Only' in case of cheques. The full amount of the Debentures applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

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

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

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

### **Who can Apply**

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

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

- Individuals
- Hindu Undivided Family
- Trust
- Limited Liability Partnerships
- Partnership Firm(s)
- Portfolio Managers registered with SEBI
- Association of Persons
- Companies and Bodies Corporate including Public Sector Undertakings.
- Commercial Banks
- Regional Rural Banks
- Financial Institutions
- Insurance Companies
- Mutual Funds
- FPIs / FIIs, /subaccounts of FIIs
- Any other investor eligible to invest in these Debentures

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

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

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

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

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

The application should be accompanied by all documents required in case of investments to be made by such FPIs / FIIs / sub accounts of FIIs including (i) approval, if any from Reserve Bank of India / SEBI; (ii) self attested copy of PAN; (iii) SEBI registration certificate (including of the subaccount of FII); FPIs / FIIs / sub accounts of FIIs, (iv) tax residence certificate provided by the Income Tax authority of foreign country of which the FII is a tax resident, wherever applicable/Address

Proof, (v) authorized signatories, (vi) Board resolution permitting investment in debentures/structured products, (vi) demat statement, (vii) financials for the past 2 years and (viii) the POA

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

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

### **PAN**

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

### **Basis of Allotment**

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

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

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

### **Payment of Coupon**

Coupon will be paid only to the Debenture holders registered in the Register of Debenture holders or to the Beneficial Owners. Coupon on the Debentures, if any shall be payable on the Redemption Date. The determination of the persons entitled to receive Coupon in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture holders or the Depositories' record) shall be made on the Record Date. In the case of joint holders of Debentures, Coupon shall be payable to the first named Debenture holder.

### **Redemption**

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

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

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

### **Right to Repurchase and Reissue the Debentures**

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

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

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

**Right to partially redeem the Debentures**

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

**Right to further issue the Debentures**

Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF1/67/2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.

Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium/par/discount as the case may be in line with SEBI Circular CIR/IMD/DF1/67/2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.

**Place, Currency and Mode of Payment**

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

**Issue of Debentures in Dematerialised Form**

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

**Succession**

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

**Notices**

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

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

**Rights of Debenture holders**

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

to vote at any general meeting(s) of the shareholders of the Company.

#### **Modifications of Rights**

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

#### **Future Borrowings**

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

#### **Tax Benefits**

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

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

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

#### **Debenture Trustee**

The Issuer has received the consent of Catalyst Trusteeship Limited to act as the Trustees on behalf of the Debenture Holders. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to Catalyst Trusteeship Limited to act as their debenture trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed executed between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same.

#### **Valuation Agency**

The Company has entered into valuation agreement(s) with SEBI registered credit rating agencies namely CRISIL Limited ("CRISIL") and Credit Analysis and Research Limited ("CARE"). The Issuer at its sole discretion shall appoint one of these agencies as a Valuation Agent to provide Valuation on Debentures. The details of Valuation Agent and the website link of the Valuation Agent where the Valuations shall be available will be communicated by the Issuer to the Debenture holder. Such communication shall form part of this Disclosure Document. The Valuation Agent will publish the valuation on its website at least once every calendar week. The valuation of the Debentures shall be available at <https://edelweissinvest.edelweissfin.com/investor-relations#parentVerticalTab5> and on the website of the Valuation Agency within 7 Working Days from Deemed Date of Allotment. Upon request by any Debenture Holder for the value of the Debentures, the Issuer shall arrange to provide the same. The Company reserves the right to change the Valuation Agent at its sole and absolute discretion, during the tenure of the Debentures without giving any reasons or prior notice to the Debenture holders. The Issuer shall inform about such change as and when it occurs to the Debenture holders.

#### **Anti Money Laundering**

Since these debentures are issued in "compulsory demat mode" and the Company uses depository system for allotment of the debentures, KYC checks conducted by depository participants at the time of accepting the customer or transaction under the prevention of money laundering policy adopted by depositories or depository participant shall be considered



adequate irrespective of risk level of the customer or transaction. However, as a matter of a good practice, Company may examine transactions/clients that may fall under “suspicious transactions” category as defined under Prevention of Money Laundering Act, 2002 and seek further information from the clients.

## 18. MANAGEMENT’S PERCEPTION OF RISK FACTORS

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

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

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

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

### b) Interest Rate Risk:

**Interest Rate Risk (Company specific):** Since EFL is engaged in lending and financing activities, its business and income will largely be dependent on interest income from its operations. Interest rates are highly sensitive to many factors, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and International economic and political conditions, inflation and other factors beyond the control of EFL. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. There can be no assurance that significant interest rate movements will not have an effect on the results of its operations.

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

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

### c) Changes or discontinuance of the Underlying:

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

**d) Credit Risk:**

Any lending and investment activity by the Issuer is exposed to credit risk arising from repayment default by borrowers and other counterparties. The Issuer has a systematic credit evaluation process to monitor the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure and to take timely appropriate remedial actions. The Issuer also undertakes periodic reviews of its entire asset portfolio with a view to determine the portfolio valuation identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and in such circumstances may have an effect on its results of operations. The principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.

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

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

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

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

**g) Downgrading in Credit Rating**

For long term borrowings through NCDs the following Rating has been assigned –

**CARE CARE PP-MLD A+ Stable pronounced as CARE PP-MLD A Plus; Outlook: Stable**

The Issuer cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. Such a downgrade in the credit rating may lower the value of the Debentures and may also result in the Issuer having to withdraw this borrowing programme.

**h) Security may be insufficient to redeem debentures**

In the event that the company is unable to meet its payment and other obligations towards investors under the terms of the debentures, the Debenture Trustee may enforce the security as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the debentures will be subject to (a) the market value of such secured property, (b) finding willing buyer for the security at a price sufficient to repay debenture holder(s)' amounts outstanding under the debentures. The value realized from the enforcement of the security may be insufficient to redeem the debentures.

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

Potential investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that maybe due in respect of the debentures is subject to the credit risk of the Issuer. Potential investors acknowledge the risk that the issuer may not be able to satisfy their obligations under the debentures. In the event



that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the issuer, the payment of sums due on the debentures may not be made or may be substantially reduced or delayed.

## EXTERNAL RISK FACTORS

### a) The Debentures may be illiquid

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

### b) A slowdown in economic growth in India

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

### c) Material changes in regulations to which the Company is subject

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

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

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

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

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

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

**Applicable to Index Linked product:**

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

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

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

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

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

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

**19. UNDERTAKINGS BY THE INVESTOR:**

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

(A) has

- (1) sufficient knowledge (including of applicable laws, rules, regulations, circulars), experience and expertise as an investor, to make the investment in such Debentures;
- (2) not relied on either of the Company, or any of its affiliates, holding company, or any person acting on its behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in the Disclosure Document;
- (3) understood that information contained in the Disclosure Document, or any other document issued by the Company is not being construed as business or investment advice; and
- (4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;

(B) has understood there may be delay in listing of the Debentures and even after being listed, may not be marketable or may not have a market at all;

(C) has understood that without prejudice to (A), and (B) above,

- (1) the method and manner of computation of, returns and calculations on the Debentures shall be solely determined by the Company, whose decision shall be final and binding; The valuation to be provided by the valuation agency is only an indicative value on the valuation date and can be different from the actual realizable value of the Debenture;
- (2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture holder, and no liability therefore will attach to the Company;
- (3) Investor confirms that issuer will not be responsible for the performance of Index and is only using Index as underlying and is only responsible for tracking/mapping its performance as per calculation methodology agreed herein. Any loss to investor due to underperformance of Index shall be borne by investor and neither Issuer nor Index Administrator shall be responsible for any losses to investor. Further, Issuer shall not be responsible or liable to investor for any loss caused due to any action, inaction, omission or negligence of Index administrator or Index calculating agent.
- (4) Investors hereby authorise, agree, acknowledge that Issuer may receive information from Index calculating agent or Index Administrator w.r.t change in Index composition or calculation methodology and Issuer may provide necessary consent to Index calculating agent or Index Administrator that issuer deems fit in its sole discretion and such events may not constitute early redemption event at Issuer discretion.

(D) has understood that in the event that the Debenture holder suffers adverse consequences or loss, the Debenture holder shall be solely responsible for the same and the Company, or any of its affiliates, holding company, or any person acting on its behalf shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture holder, including but not limited to, on the basis of any claim that no adequate disclosure regarding the risks involved was made or that the full risks involved were not explained or understood;

(E) has reviewed the terms and conditions applicable to the Debentures as contained in the Disclosure Document, and understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosure with respect to the Debentures, and understood the risks, and determined that the Debentures are a suitable investment and that the Debenture holder can bear the economic risk of that investment, including the possibility of receiving lower than expected returns.

(F) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;

(G) holds the Debentures as an investment and has not purchased the Debentures on a speculative basis;

(H) as an investor, is knowledgeable about applicable laws, rules, regulations with respect to the Debentures and is experienced in making investments, including in debt instruments having variable or unpredictable returns or no returns and also investments similar to the Debentures;

(I) in investing in the Debentures:

- (i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture holders' legal competency and ability (including under applicable laws and regulations), to invest in the Debentures;
- (ii) has assumed, on the Debenture holders' own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Company (or to any person acting on its behalf) to indemnify or otherwise hold the Debenture holder harmless in respect of any such loss and/or damage and confirms that the Debenture holder is aware that, as returns on the Debentures are primarily

linked to the Securities and even otherwise, the Debenture holder may receive negligible returns or not receive any returns at all over the term and/or part thereof, of the Debentures or upon maturity;

- (J) has understood that, at any time during the term of the Debentures, the value of the Debentures may be substantially less than its redemption amount;
- (K) undertakes that, if the Debenture holder sells the Debentures to subsequent investors, the Debenture holder shall ensure, and it is the Debenture holder's obligation in that regard, that:
- (1) the subsequent investors receive the terms and conditions, risks and representations contained in the Disclosure Document and any other related document and fully understand the Debentures,
  - (2) sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (1) above,
  - (3) the sale and transfer of the Debentures shall be effected only in the manner stipulated: by the Stock Exchange in accordance with the rules, regulations and byelaws of the Stock Exchange;
- (L) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder, or its assets;
- (M) where the Debenture holder is a partnership firm
- (i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;
  - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;
  - (iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;
  - (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and
  - (v) for any Hindu Undivided Family ("HUF") that may be partner, the Karta declares that the above equally binds each of the coparceners and beneficiaries of the HUF; and
- (N) where the Debenture holder is a company, also confirms that:
- (i) notwithstanding the variable nature of the return on the Debentures, the Debenture holder is not precluded under any law, rules, regulations and/or circular/s issued by any statutory authority/ies including under the Companies Act, 2013 and its Rules, from investing in the Debentures;
  - (ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture holder has corporate ability and authority, to invest in the Debentures; and
  - (iii) investment in the Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder or the Debenture holder's assets.
- (O) where there is an intermediary who sells the Debentures and/or invests in the Debentures on behalf of its Clients/investor(s) ("Intermediary"), it also confirms that :
- (i) it is registered with SEBI;
  - (ii) it is fully in compliance with the laws and regulations applicable to it including the SEBI Circular dated CIR/IMD/DF/17/2011 dated September 28, 2011 ("Structured Products Guidelines"), the Prevention of Money Laundering Act, 2002 ("PML Act"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("PML Rules"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti Money Laundering Standards" of the SEBI ("AML Guidelines") together with the PML Act and the PML Rules, the "AML Laws & Rules"), all applicable knowyourclient norms ("KYC Guidelines") and all applicable rules,

regulation and guidelines issued by any relevant regulator and the Intermediary has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients / investor(s);

- (iii) the Intermediary is selling the Debentures, to appropriate Clients/the investor(s) or is investing on behalf of its Clients /the investor(s) appropriately and such sale/investment in the Debentures is within the scope of its authority and accordingly binds each of the Clients/ investor(s);
  - (iv) the intermediary has satisfied itself as to the capacity and authority of each of the Clients / investor(s) to invest in such Debentures;
  - (v) the Intermediary has conducted a risk profiling of each Client / Investor (s) pursuant to the Structured Products Guidelines and has satisfied itself that the Debentures are suitable to the risk profile of the Client / investor.
  - (vi) the Intermediary has fully advised each of its Clients / the investor(s) of the risks relating to investment in the Debentures and ensured that the Client/investor has understood the risks involved in investment in the Debentures and is capable of taking the risks posed by the Debentures;
  - (vii) the Intermediary in case of a Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 1993 and in case of any other Intermediary under the regulations applicable to that Intermediary has fully advised each of its Clients / the investor(s) of the rights of such Clients / investor(s) against the Intermediary as its principal and accepts responsibility for such advice;
  - (viii) Should there be any dispute by the Clients / investor(s) as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment the same shall be dealt with entirely by the Intermediary with each of the Clients / investor(s), with no reference to the Issuer;
  - (ix) the Intermediary hereby consents (including on the basis of any request made by the Issuer in this regard) to provide and/or to the disclose to the Issuer any information regarding any or all of the Client / investor and the investment in the Debenture, as required under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law and agrees that such information shall be disclosed by the Issuer to any governmental and/or regulatory authorities.;
  - (x) The Intermediary shall provide its Clients / the investor(s) with a copy of the Offer Document;
  - (xi) The Intermediary shall guide the Clients / investor(s) as to where the valuations (of the Debentures) will be available;
  - (xii) The Intermediary shall guide the Clients / investor(s) as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Issuer or through the secondary market;
  - (xiii) The Intermediary confirms and undertakes that it has not and will not use the name of the Issuer or any of its group entities in any of its advertisement or any marketing material other than for the selling the Debentures; and The Intermediary confirms that the marketing material shall only contain information that is provided in this Disclosure Document and should not contain any information that is extraneous to this Disclosure Document.
- (P) where the Debenture holder is a FPI / FII / sub account, it also confirms that the investment by such FPI/FII and on behalf of each subaccount shall not exceed individual debt limits allocated as per applicable rules, regulations, guidelines from time to time.

#### **Undertaking by the Issuer**

The Issuer hereby covenants and undertakes that the assets on which the charge is or will be created to secure the Debentures are free from any encumbrances and if they are already charged such charge shall be released and the permission or the consent to create a charge on such assets of the Issuer shall be obtained from the existing charge holder or the creditor or Debenture Trustee as required before creation of charge to secured Debentures.

#### **Potential Conflicts of Interest**

The Company has appointed Edelcap Securities Limited, its subsidiary as its calculation agent for the purposes of calculating amounts payable or deliverable to holders under these Debentures. Under certain circumstances, the agent as subsidiary and its responsibilities as calculation agent for the Debentures could give rise to conflicts of interest. The calculation agent is required to carry out its duties in good faith and using its reasonable judgment. However, because the Company may control the subsidiary, potential conflicts of interest could arise. The Issuer may enter into an arrangement with a subsidiary to hedge market risks associated with its obligations under the Debentures. Such a subsidiary would expect to make a profit in

connection with this arrangement. The Company may not seek competitive bids for such arrangements from other affiliated and unaffiliated parties.

## 20. Disclaimers

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

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

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

This Disclosure Document and its contents are the Company's property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer's written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Company. If any recipient of this information memorandum and or private placement offer cum application letter decides not to participate in the issue, that recipient must promptly return this information memorandum and or all private placement offer cum application letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the issue to the issuer.

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

Applicants must understand that while the Debentures would be listed, in view of the nature and complexity of the Debentures, marketability may be impacted in a manner that cannot be determined.



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

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

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

#### **NOTE:**

This Disclosure Document is not intended for distribution and it is meant solely for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The Debentures mentioned herein are being issued on a private placement basis and this offer does not constitute nor should it be considered a public offer/invitation. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the Debentures. This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and have been marked against the serial number provided herein and only such recipients are eligible to apply for the Debentures. Furthermore, NRIs, OCBs and other persons resident outside India (except as specifically provided in this Disclosure Document) are not eligible to apply for or hold the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The Company or any other parties, whose names appear herein, shall not be liable for any statements made herein or any event or circumstance arising therefrom. Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

#### **Stock Exchange Disclaimer Clause**

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

#### **Information in relation to Nifty 10 yr Benchmark GSec Clean Price Index**

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

#### **Index Manufacturer – India Index Services & Products Limited (IISL) Background**

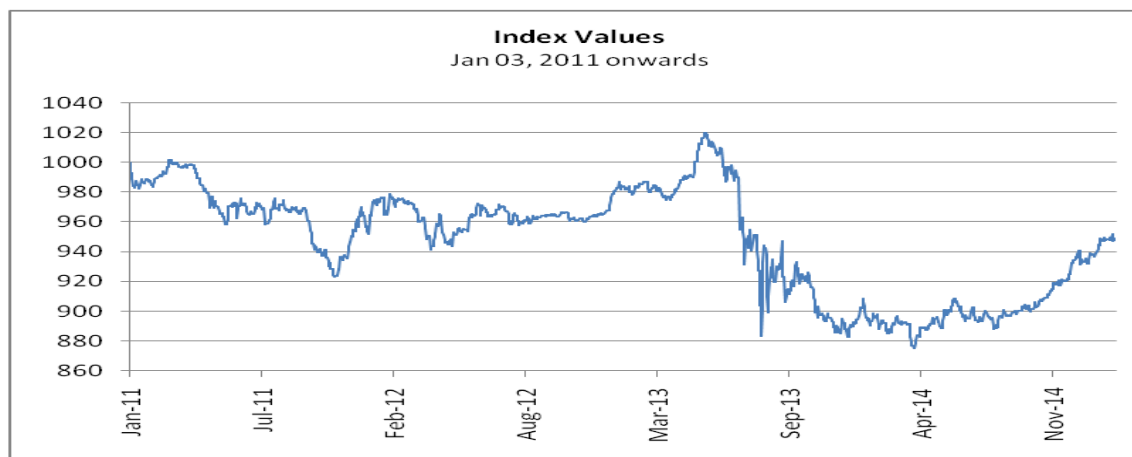
- IISL, a subsidiary of NSE was setup in May 1998 to create and manage indices for NSE and its participants
- IISL maintains over 80 equity indices comprising broadbased benchmark indices, sectoral indices
- They manage the most popular and most traded indices on Indian markets such as Nifty 50, Nifty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

#### **INDEX METHODOLOGY:**

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

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

## Historical Performance



## FOR NIFTY BANK LINKED DEBENTURES:

### Disclaimer by IISL

- The Nifty Bank Index Linked Debentures ("Debentures") are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Debentures or any member of the public regarding the advisability of investing in securities generally or in the Debentures particularly or the ability of the Nifty Bank Index to track general stock market performance in India. The relationship of IISL to EDELWEISS FINVEST LIMITED (formerly known as Edelweiss Finvest Private Limited) ("EFL") is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by IISL without regard to EFL or the Debentures. IISL does not have any obligation to take the needs of EFL or the owners of the Debentures into consideration in determining, composing or calculating the Nifty Bank Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Debentures to be issued or in the determination or calculation of the equation by which the Debentures are to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Debentures.
- IISL does not guarantee the accuracy and/or the completeness of the Nifty Bank Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL does not make any warranty, express or implied, as to results to be obtained by EFL, owners of the Debentures, or any other person or entity from the use of the Nifty Bank Index or any data included therein. IISL makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, IISL expressly disclaim any and all liability for any damages or losses arising



out of or related to the Debentures, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

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

#### **FOR NIFTY 50 LINKED DEBENTURES:**

##### **Disclaimer by IISL**

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

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

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

#### **FOR NIFTY 10 YR BENCHMARK GSEC (CLEAN PRICE) INDEX:**

##### **Disclaimer by IISL**

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

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

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

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

1. Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. The Central and State Governments are the issuers of the local currency debt. The Government raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since these securities carry minimal risks, they may command lower yields. The performance may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems
2. The return on an investment in the Debentures (which are linked with G-secs) may differ from the return an investor might earn on a direct investment in the security over a similar period.
3. The terms of the instrument specify that the payments to investors will not be fixed, and will be linked to an external variable i.e. closing clean price of underlying as specified in the summary term sheet, as published by Financial Benchmarks India Private Limited on [www.fbil.org.in](http://www.fbil.org.in). This could result in variability in payments - because of adverse movement in value of the external variable. The risk of such adverse movement in price/ value is not addressed by any rating.
4. An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the underlying G-Sec price specified in the summary term sheet ("underlying G-Sec price").
5. The Issuer does not represent or warrants or ensures of accuracy or completeness, timeliness, reliability, fitness for a particular purpose or merchantability of any part of the underlying G-Sec price.
6. In no event shall the company be liable for any loss, cost or damage arising out of or related to the access or use of any part of the underlying G-Sec price.
7. Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the underlying G-Sec Price or the Issuer's obligations under this Disclosure Document due to any Force Majeure Event, act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer.
8. The Issuer accepts no responsibility for the accurate extraction, reproduction and summary of any information relating to underlying G-Sec price. No further or other responsibility in respect of such information is accepted by the Issuer. Purchasers of the Debentures should ensure that they understand the nature of the Debentures and the extent of their exposure to risk and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition. The performance of the underlying G-sec price will therefore affect the nature and value of the investment return on the Debentures. Also a relatively small movement in the value of the underlying G-sec price can result in a disproportionately large movement in the price of the Debentures. Purchasers should conduct their own investigations and, in deciding whether or not to purchase Debentures, purchasers of the Debentures should form their own views of the merits of an investment related to the underlying G-sec price as based on such investigations and not in reliance on any information given in this Disclosure Document.

### **Disclaimer on Valuation**

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

The Valuation reflects the independent views of the Valuation Agent. It is expressly stated that the valuation is not the view of the Issuer or its affiliates. The Issuer has not reviewed the Valuation and is not responsible for the accuracy of the

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

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

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

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

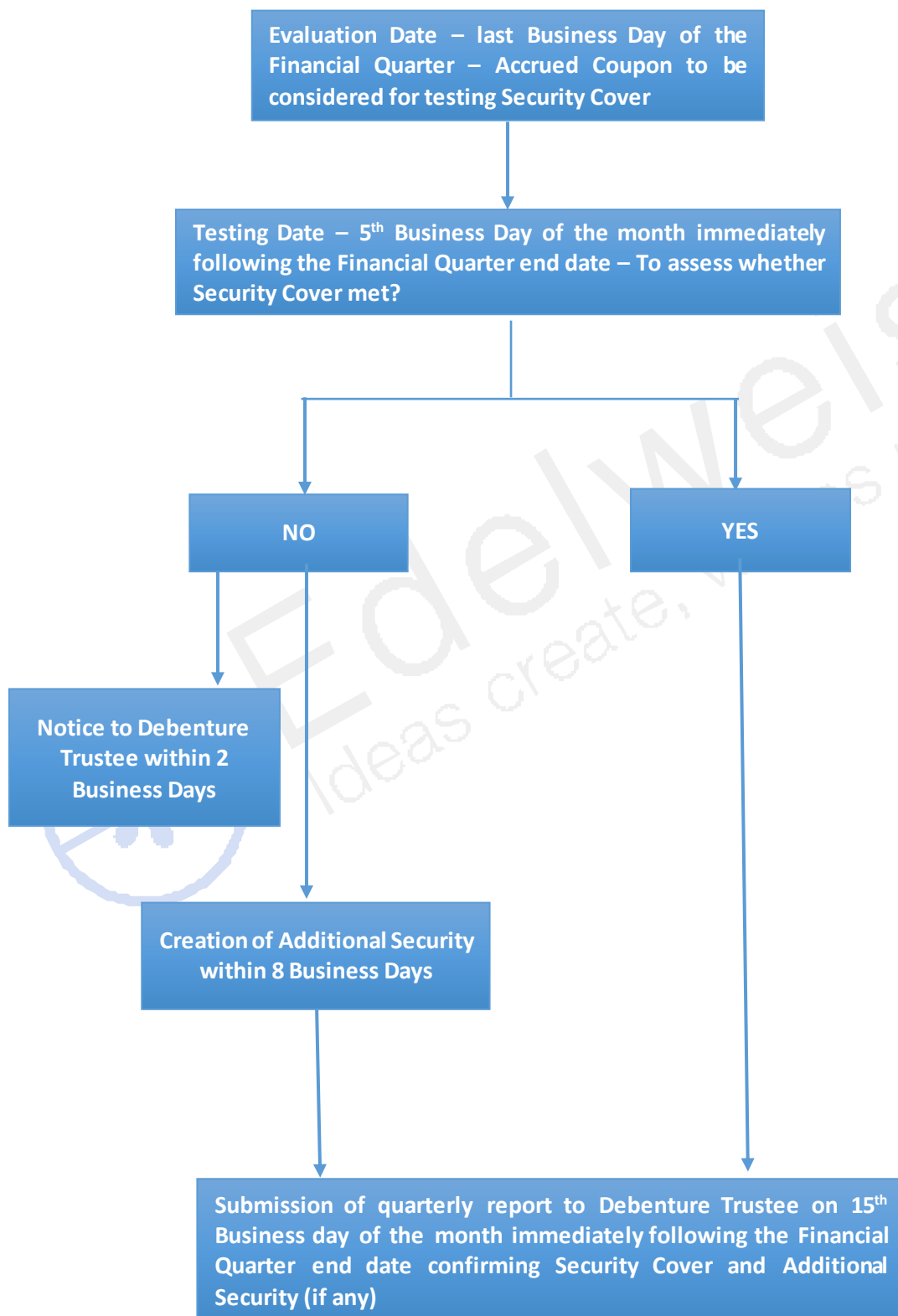
ii. Disclaimer by the Valuation Agent

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



**SECURITY COVER CREATION FLOW – CHART**

**ILLUSTRATIVE FLOW CHART FOR SECURITY COVER**



**21. SUMMARY TERM SHEET for B3K001**

<b>Issuer</b>	Edelweiss Finvest Limited (formerly known as Edelweiss Finvest Private Limited)
<b>Security Name</b>	EFL – Secured Market Linked Non Convertible Debentures
<b>Product Code</b>	B3K001
<b>Option</b>	A
<b>Date of passing of Board Resolution</b>	February 12,2020
<b>Date of passing of resolution in general meeting</b>	March 09,2020
<b>Type of Instrument</b>	Principal Protected - Market Linked Redeemable Non- convertible Debenture
<b>Nature of Instrument</b>	Secured
<b>Seniority</b>	Senior
<b>Purpose and Object of the Issue</b>	General corporate purposes and investments
<b>Principal Protection</b>	Principal is protected at maturity.
<b>Underlying Stocks/ Reference Index</b>	GOVERNMENT SECURITY: 5.77% GS 2030 HAVING ISIN: IN0020200153 MATURING ON “03-AUG-2030”
<b>Mode of Issue</b>	Private Placement
<b>Option to retain oversubscription (Amount)</b>	Not Applicable
<b>Eligible Investors</b>	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures</p> <ul style="list-style-type: none"> <li>• Individuals</li> <li>• Hindu Undivided Family</li> <li>• Trust</li> <li>• Limited Liability Partnerships</li> <li>• Partnership Firm(s)</li> <li>• Portfolio Managers registered with SEBI</li> <li>• Association of Persons</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings</li> <li>• Commercial Banks</li> <li>• Regional Rural Banks</li> <li>• Financial Institutions</li> <li>• Insurance Companies</li> <li>• Mutual Funds</li> <li>• FPIs/sub-accounts</li> <li>• Any other investor eligible to invest in these Debentures as per applicable law</li> </ul>
<b>Issue Size</b>	Rs. 550,000,000/-
<b>Minimum application Size</b>	10 Debentures bearing facevalue of Rs. 100,000/- each and in multiples of 1 Debenture(s) thereafter.
<b>Investor Category I</b>	Subscription amount being less than Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
<b>Investor Category II</b>	Subscription amount being equal to or greater than Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.

Face Value/Principal	Rs. 100,000/- Per Debenture	
Issue price	Rs. 100,000/- Per Debenture	
Justification of Issue Price	Not Applicable	
Premium at which Debenture is issued	NA	
Tenor In Days	914 Days from the Deemed Date of Allotment	
Issue Opening Date	12-Nov-2020	
Issue Closing Date	12-Nov-2020	
Initial Fixing Date	12-Nov-2020	
Initial Fixing Level	Official Closing Level of GOVERNMENT SECURITY: 5.77% GS 2030 HAVING ISIN: IN0020200153 MATURING ON "03-AUG-2030" as on Initial Fixing Date	
Final Fixing Date	23-Feb-2023	
Final Fixing Level	Official Closing Level of GOVERNMENT SECURITY: 5.77% GS 2030 HAVING ISIN: IN0020200153 MATURING ON "03-AUG-2030" as on Final Fixing Date	
Redemption Date *	15-May-2023	
Redemption Value *	Face Value*(1+Coupon)	
Pay-in-Date	12-Nov-2020	
Deemed Date of Allotment	12-Nov-2020	
Underlying Performance	(Final Fixing Level / Initial Fixing Level) – 1	
Participation Rate: PR	NA	
Coupon *	<b>Scenario</b>	<b>Coupon</b>
	If Final Fixing Level > 50% of Initial Fixing Level	32.82%
	If Final Fixing Level <= 50% of Initial Fixing Level	0.0%
Step up/Step down coupon rate	Not Applicable.	
Coupon payment frequency	Coupon, if any will be paid on Redemption Date	
Coupon payment dates *	Coupon, if any will be paid on Redemption Date	
Coupon type	Coupon linked to Underlying / Reference Index.	
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable	
Day Count Basis	Not Applicable	
Default interest rate	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over and above the Coupon will be payable by the Company from the date of the default till the actual payment is received for the same.	
Proposed time schedule for which the Disclosure Document is valid	Till redemption of Debentures	
Redemption Premium / Discount	Not Applicable	
Put Option	Yes. The Put Option may be exercised by the Debenture Holders only on the put option dates at the applicable put option price given that the put option condition is satisfied and the same is satisfactorily illustrated to the Issuer by the Debenture Holders. On any given put option date the put option may be	

	exercised by the Debenture Holders on only upto the amount of Debentures that are required to bring the interim security cover above 1.74x. Put option condition – If the interim security cover multiple falls below 1.74x and is satisfactorily illustrated by the Debenture Holders to the Issuer. Interim security cover multiple is defined as ((Last Published NAV per unit – Redistribution amount per unit post the last NAV Publishing date)*1,10,625)/Outstanding valuation of Debentures. Outstanding valuation of Debentures shall mean the aggregate of outstanding principal amount, accrued interest/coupon and any other payment due and payable to the Debenture Holders.
<b>Put Option Date</b>	12 Jul 2022, 10 Jan 2023
<b>Put Option Price</b>	It shall be calculated as the Issue Price plus the interest/coupon accrued for the applicable Holding Period
<b>Put Notification Time</b>	25 working days prior to exercise of put option date
<b>Call Option</b>	Yes In case of merger or demerger, the Company may at its discretion exercise Call option after 91 days from the date of allotment on any of the call option dates for Redemption of some or all of the units of Debentures issued under a particular ISIN by informing the relevant Debenture Holders or the relevant Debenture Trustee.
<b>Call Option Date</b>	12 Feb 2021, 19 Feb 2021, 26 Feb 2021, 05 Mar 2021, 12 Mar 2021, 19 Mar 2021, 26 Mar 2021, 02 Apr 2021, 09 Apr 2021, 16 Apr 2021, 23 Apr 2021, 30 Apr 2021, 07 May 2021, 14 May 2021, 21 May 2021, 28 May 2021, 04 Jun 2021, 11 Jun 2021, 18 Jun 2021, 25 Jun 2021, 02 Jul 2021, 09 Jul 2021, 16 Jul 2021, 23 Jul 2021, 30 Jul 2021, 06 Aug 2021, 13 Aug 2021, 20 Aug 2021, 27 Aug 2021, 03 Sep 2021, 10 Sep 2021, 17 Sep 2021, 24 Sep 2021, 01 Oct 2021, 08 Oct 2021, 15 Oct 2021, 22 Oct 2021, 29 Oct 2021, 05 Nov 2021, 12 Nov 2021, 19 Nov 2021, 26 Nov 2021, 03 Dec 2021, 10 Dec 2021, 17 Dec 2021, 24 Dec 2021, 31 Dec 2021, 07 Jan 2022, 14 Jan 2022, 21 Jan 2022, 28 Jan 2022, 04 Feb 2022, 11 Feb 2022, 18 Feb 2022, 25 Feb 2022, 04 Mar 2022, 11 Mar 2022, 18 Mar 2022, 25 Mar 2022, 01 Apr 2022, 08 Apr 2022, 15 Apr 2022, 22 Apr 2022, 29 Apr 2022, 06 May 2022, 13 May 2022, 20 May 2022, 27 May 2022, 03 Jun 2022, 10 Jun 2022, 17 Jun 2022, 24 Jun 2022, 01 Jul 2022, 08 Jul 2022, 15 Jul 2022, 22 Jul 2022, 29 Jul 2022, 05 Aug 2022, 12 Aug 2022, 19 Aug 2022, 26 Aug 2022, 02 Sep 2022, 09 Sep 2022, 16 Sep 2022, 23 Sep 2022, 30 Sep 2022, 07 Oct 2022, 14 Oct 2022, 21 Oct 2022, 28 Oct 2022, 04 Nov 2022, 11 Nov 2022, 18 Nov 2022, 25 Nov 2022, 02 Dec 2022, 09 Dec 2022, 16 Dec 2022, 23 Dec 2022, 30 Dec 2022, 06 Jan 2023, 13 Jan 2023, 20 Jan 2023, 27 Jan 2023, 03 Feb 2023, 10 Feb 2023, 17 Feb 2023.
<b>Call Option Time</b>	Not Applicable
<b>Call Option Price</b>	At face value or any other price as may be mutually agreed between the debenture holders and the Company.
<b>Call Notification Time</b>	25 working days prior to exercise of Call option date
<b>Listing and consequence of Delay in Listing</b>	<ul style="list-style-type: none"> <li><u>For FPIs /sub-accounts</u></li> </ul> <p>The Company proposes to list these Debentures on the Bombay Stock Exchange Wholesale Debt Market (WDM) segment within 15 days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the Debentures beyond 15 days from the Deemed Date of Allotment for any reason, then the FII/sub-account of FII shall immediately dispose of these Debentures either by way of sale to a third party or to the Company and the Company will be under an obligation to redeem the Debentures.</p>

	<ul style="list-style-type: none"> <li>• <u>For applicants other than FPI/sub-accounts</u></li> </ul> <p>The Company proposes to list these Debentures on the Bombay Stock Exchange WDM segment within 20 days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures.</p>
<b>Issuance mode of Debenture</b>	DEMAT form
<b>Trading mode of the Debenture</b>	DEMAT form only
<b>Depository</b>	NSDL and CDSL
<b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</b>	<p>The debentures shall be secured by the Company by way of exclusive charge over the assets mentioned below.</p> <ol style="list-style-type: none"> <li>By Pledging EIYP AIF Units, and /or</li> <li>By executing Deed of Hypothecation/Pledging units of Liquid or Overnight Mutual Fund and/or Debt Exchange Traded Funds Units and/or Fixed Deposits and/or hypothecating other cash equivalents and/or such other Investments and/or by depositing Cash Collateral in the Escrow account.</li> </ol> <p>For providing the security cover of 100% as mentioned below.</p> <p>Such security shall be created by the Issuer within 5 days of the Deemed Date of the Allotment.</p> <p><b>"EIYP AIF Units"</b> shall mean the Class C Units of Edelweiss Infrastructure Yield Plus held by the Issuer; For purpose of calculation of the security cover the value (basis the latest available NAV) of the EIYP AIF Units shall be discounted by 50% for the first 15 months subsequent to which it will be discounted by 42.50%</p> <p>A cover of 100% security against total outstanding principal and accrued Interest/Coupon to be maintained as per terms of the Debenture Trust deed. The security on EIYP AIF Units shall be created after receiving the requisite approvals of the trustee and investment manager of the EIYP AIF Fund.</p> <p>In case of shortfall of the requisite Security Cover if or due to change in NAV of units or otherwise the Company shall create additional security by offering its other investments like units of Liquid or Overnight Mutual Fund Units and/or Debt Exchange Traded Funds Units and/or such other securities and/or Fixed Deposits and/or other Cash equivalents in favour of Debenture Trustees for securing the non-convertible debentures issued under this deed.</p> <p>In case the Drawdown calls on the underlying pledged EIYP AIF Units remains unpaid for more than [5] business days from the due date of payment – The terms of the Transaction Documents would be renegotiated with the client upto 45 days from the date of such failure to pay the drawdown calls on the EIYP AIF Units. If the parties fail to arrive at an agreement over such revision, the Debenture Holders shall have a right to accelerate the</p>



	<p>Debenture redemption within 90 days from the date of such failure to pay the drawdown calls on the EIYP AIF Units.</p> <p>Otherwise as provided above, the Company cannot remove the pledged EIYP AIF pledged securities/pledged units of Liquid or Overnight Mutual Fund and/or Debt Exchange Traded Funds Units and Hypothecated Properties unless the Company/ Issuer replaces it with Additional Security or cash collateral by way of charge/pledge creation which provides sufficient security cover for the outstanding debt. Further, the Company cannot create any further charge/pledge on the Eligible Securities and Hypothecated Properties.</p> <p>Accrued Coupon for the purpose of this clause shall mean the Coupon accrued on the outstanding Debentures as on the Evaluation Date. For avoidance of doubt, it is hereby clarified that the Coupon on the Debentures may be payable along with the Redemption Amount but for the purpose of calculation of the Security Cover, Accrued Coupon shall be construed as above.</p> <p>After the creation of initial security within statutory timeline, in case of shortfall in the Security Cover on the Quarterly Testing Date, the Issuer shall provide the following additional securities in favour of the Trustee to the extent of the shortfall to meet the Security Cover:</p> <ol style="list-style-type: none"> <li>Create charge/pledge on additional units of EIYP AIF units until the Security Cover is met; and/or</li> <li>Create charge/pledge/lien mark on the units of Liquid or Overnight Mutual Funds Units and/or Debt Exchange Traded Funds Units and/or Fixed Deposits and/or other cash equivalents shall be provided for maintaining security cover under this Deed any other investments held by the Issuer from time to time) ("<b>Investment</b>") ;and/or</li> <li>Provide cash collateral into the Escrow Account ("<b>Cash Collateral</b>")</li> </ol> <p>The process of testing the Security Cover and creation of Additional Security (if so required) are graphically represented in the form of a flow chart attached as Schedule to this Disclosure Document.</p>
<b>Rating</b>	<p>CARE PP-MLD A+ Stable [(pronounced as "CARE PP-MLD A Plus; Outlook: Stable] by CARE Ratings Limited ("CARE") for Rs. 100 Crore Principal Protected Market Linked Debenture issue. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term. The modifiers "+"(plus) or "-"(minus) reflect the comparative standings within the category.</p> <p>CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the lifetime of such instruments. In such cases the</p>

	<p>creditrating symbol shall be accompanied by “ISSUER NOT COOPERATING”. CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you..</p> <p>If the Issuer’s credit rating is downgraded by at least two agencies by two notches from their respective present Credit ratings – The terms of the Transaction Documents would be renegotiated with the client upto 45 days from the date of such downgrade by second rating agency from PP MLD A+ to PP MLD A-. If the parties fail to arrive at an agreement over such revision, the Debenture Holders shall have a right to accelerate the Debenture redemption within 90 days from the date of such downgrade by second rating agency from PP MLD A+ to PP MLD A- .</p>
<b>Escrow Account</b>	<p>Escrow Account shall mean the account opened/ to be opened by the Issuer with a designated bank (Escrow Bank), wherein all cash collateral to meet the required Security Cover shall be deposited and which account shall be charged in favour of the Trustee for the purpose of Additional Security.</p> <p>The Issuer shall provide the Debenture Trustee a reconciliation of the Escrow Account in the event of Cash Collateral being provided as an Additional Security, within 15 Business Days from the end of each quarter.</p>
<b>Demat Account</b>	<p>For the additional securities that are in dematerialised form for instance, shares, the Issuer shall open a demat account for depositing such securities.</p> <p>Such demat account shall be linked to the Escrow Account.</p> <p>Further, the Issuer shall execute a power of attorney in relation to such Demat Account in favour of Debenture Trustee authorizing it to take over the control and operation of such Demat account upon occurrence of Event of Default and sell investments held in such Demat account to enforce the security.</p>
<b>Testing Date</b>	<p>The date on which the Security Cover is tested based on the interest/coupon applicable to the Debentures as on the Evaluation Date. The testing date shall be 5th Business Day of the month following the financial quarter end date. The Security Cover shall be tested on the basis of the latest NAV provided by the AIF Investment Manager.</p>
<b>Evaluation Date</b>	<p>Such date on which the Interest/ Coupon shall be considered for the purpose of calculation of Security Cover on the Testing Date. The evaluation date shall be the last Business Day of each financial quarter</p>
<b>Process for creation of Security Cover and Additional Security</b>	<p>In the event of shortfall of the Security Cover as on the Testing Date, the Company shall send a notice to the Trustee about such shortfall within 2 (two) Business Days from the Testing Date. Thereafter, within 8 (Eight) Business Days from the Testing Date, the Company shall create the Security in favour of the Trustee by execution of a supplemental Deed of Hypothecation/Pledge Deed and/or by providing cash collateral into the Escrow Account to the extent of shortfall required to meet the required Security Cover, if any.</p>
<b>Perfection of Security</b>	<p>The Company as the case may be shall perfect the Security/Additional Security by filing the particulars of the charge creation/modification with the concerned Registrar of Companies (ROC) or with any other authority as may be required under Applicable Law, within prescribed timelines from the date of creation of such Security/Additional Security.</p>
<b>Release of the Security</b>	<p>In the event the Security/Additional Security created in favour of the Trustee by execution of a supplemental Deed of Hypothecation and/or Pledge Deed</p>

	<p>and/or by providing cash collateral into the Escrow Account to the extent of shortfall required to meet the Security Cover exceeds the Security Cover on any Testing Date, the Issuer shall have the right to demand the release of the excess security/lien marked additional security/cash available in the escrow to the extent of such additional cover immediately at any point from the Debenture Trustee in consultation with the Debenture Holders, which the Debenture Trustee and the Debenture Holders shall not unreasonably withhold. In case no response is received from the Debenture Trustee/Debenture Holders within 5 days from the date of such request, it shall be deemed that the Debenture Trustee/Debenture Holders have consented for the same. The Issuer may or may not decide to amend prevalent Deed of Hypothecation/Supplemental Deed of Hypothecation/Pledge Deed or to file the particulars of such release with the ROC.</p>
<b>Reporting Requirements</b>	<p>The Issuer shall provide a quarterly report to the Trustee by 15<sup>th</sup> business day of the month immediately following every financial quarter end date, confirming the Security Cover and any Additional Security (if any created) ("<b>Quarterly Report</b>") on the basis of latest available valuations.</p>
<b>Representation and Warranties of the Issuer</b>	<p>The Issuer on the Deemed Date of Allotment and on each date of creation of the Security/Additional Security represents and warrants as follows:</p> <ul style="list-style-type: none"> <li>a) It has the power and the corporate authorizations to enter into the Transaction Documents;</li> <li>b) The assets offered as Security/Additional Security is free from any encumbrance, charge or lien of any nature;</li> <li>c) Execution of the Transaction Documents and creation of Security/Additional Security shall not contravene its constitutional documents or any other contractual obligations under any other contracts;</li> <li>d) No consents, waivers are required from any third party for the creation of Additional Security by the Company in favor of the Debenture Trustee save and except No-objection certificate dated October 19<sup>th</sup>, 2020 obtained from SBI Cap Trustee Company Limited and No-objection certificate dated October 31<sup>st</sup>, 2020 obtained from Catholic Syrian Bank.</li> <li>e) It is in the process of the getting merged by absorption with Edel Finance Company Limited, its other group company.</li> </ul>
<b>Events of Default</b>	<p>The occurrence of any one of the following events shall constitute an "<b>Event of Default</b>" (EoD):</p> <ul style="list-style-type: none"> <li>(a) Default is committed in payment of any amount due and payable with respect to the Debentures under the Transaction Documents and such default is not cured by the Company within the period specified herein below from the date of the default;</li> <li>(b) Default shall have occurred in the performance of any material covenants on the part of the Company covered under the Transaction Documents.</li> <li>(c) Any failure of the Company to comply with any of the provisions of the Transaction Documents in relation to the Security including in relation to creation of Additional Security as envisaged in Transaction Documents.</li> <li>(d) The Company rescinds / repudiates or purports to rescind / repudiates or evidences an intention to rescind / repudiate any of the Transaction</li> </ul>

	<p>Documents in whole or in part.</p> <p>(e) Any information given by the Company in the Disclosure Documents / reports and other information furnished by the Company and the representations and warranties given/deemed to have been given by the Company to the Trustee under any Transaction Document is a misrepresentation in any material respect;</p> <p>(f) If without the prior consent of the Trustee and the Debentureholders any assets offered as security under the Security Documents or part thereof are sold, assigned, securitized, disposed of, or Encumbered in violation of terms of issue and terms of deed;</p> <p>(g) It is or becomes unlawful for the Company to perform its obligations under any Transaction Documents or any obligation under any Transaction Document becomes invalid or unenforceable;</p> <p>(h) Failure of the Company to pay any sum pursuant to any final judgement or any final order passed by a court of competent jurisdiction and which has not been set aside within 30 Business Days of it being passed;</p> <p>(i) The Company being declared or adjudicated as insolvent or bankrupt or order for winding up is passed against the Company in accordance with the Insolvency and Bankruptcy Code, 2016, or any other applicable laws;</p> <p>(j) Any expropriation, attachment, sequestration, distress or execution or other process of similar nature that may materially and adversely affect the performance of the Company under the Transaction Documents;</p> <p>(k) Any material act of fraud by the Company;</p> <p>(l) When in the opinion of the trustees the security of debenture holders is in jeopardy.</p> <p>(m) When any breach of the terms of the information memorandum / disclosure document inviting the subscriptions of debentures or any of the covenants of the Debenture Trust Deed is committed;</p> <p>The cure period for the Events of Default provided in this aforesaid Clause (a) to (m) except for Clause (c) and (i) shall be 75 days. There shall be no cure period of Event of Default provided in Clause (c) above and there shall be a cure period of 15 days for Clause (i) above.</p> <p>Upon occurrence of an EoD, the Trustee, upon instructions of the Debenture Holders representing at least 75% of the Debentures by nominal value and 60% of the Debentures by numbers (the “<b>Majority Debenture Holders</b>”), shall decide the calling of an Event of Default, and the course of action to be taken, including execution of the Inter Creditor Agreement with other lenders or finance parties of the Issuer.</p>
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<b>Consequence of an Event of Default</b>	<p>On occurrence of an EOD and failure to cure within the prescribed cure period (as applicable), the Trustee (upon instructions of the Majority Debenture Holders) shall be entitled to the following:</p> <ol style="list-style-type: none"> <li>To declare event of default under the Debenture Trust Deed and call upon the Issuer to pay the outstanding principal amount along with the accrued interest/coupon on the Debentures;</li> <li>To appoint a nominee director to the Board of Directors of the Company in terms of Debenture Trustee Regulations;</li> <li>to take possession of the Trust Properties and other assets of the Company upon which security has been created pursuant to any Security Document;</li> <li>to enforce the Security created under the Security Documents. However, while selling the Pledged Securities at a price less than the fair value, the Trustee will seek the approval of the Majority Debenture Holders. Provided, if the Majority Debenture Holders fail to respond within 5 days of the request of the Trustee then, the Trustee may sell the Pledged Securities;</li> <li>to bring, take, arrange, defend, settle, compromise, submit to arbitration and discontinue any actions, suits or proceedings whatsoever whether civil or criminal in relation to the Trust Properties or which in any way relate to the Security created hereunder, to disclaim, abandon, disregard, abrogate or vary all or any of the outstanding contracts of the Company relating to the Trust Properties;</li> <li>to manage and use any or all of the Trust Properties and to exercise and do (or permit the Company or any nominee of it to exercise and do) all such rights and things as the Trustee would be capable of exercising or doing if it were the absolute beneficial owner of the Trust Properties;</li> <li>If approved by the Majority Resolution, the Debenture Trustee shall enter into inter creditor agreement with other lenders or finance parties of the Company; and</li> <li>to exercise such other rights as the Trustee may deem fit under Applicable Law.</li> </ol>
<b>Creation of Recovery Expense Fund</b>	The Issuer shall maintain the recovery expense funds as per the terms of the Applicable Laws.
<b>Conditions for breach of covenants (As specified in the Debenture Trust Deed)</b>	None except covenants described in Event of Default
<b>Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue</b>	Nil
<b>Details of the Utilization of the proceeds</b>	The proceeds of the issue of Debentures would be utilized for general corporate purposes and investments.
<b>Settlement</b>	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository's record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India's Real Time Gross Settlement System.
<b>Business Day</b>	means any day on which the money market is functioning in Mumbai, India and banks are open for general business in Mumbai (other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Mumbai, India or a Saturday or Sunday).

<b>Business Day Convention</b>	<p>If any of the date(s), including the Record Date, as defined in the Transaction Document fall on a Sunday or a public holiday, the next working day shall be considered as the effective date.</p> <p>However, if any Initial Fixing Date, Final Fixing Date or Observation Date as defined in the Transaction Document falls on an expiry day, which is thereafter declared as a public holiday/trading holiday, then the day notified by the Exchanges/Regulators as the new expiry day shall be considered as the effective date for the above mentioned dates.</p> <p>However, in case Redemption Date (for payment of Principal and Coupon, if any) falls on Sunday or a public holiday, the previous working day shall be considered as the effective date.</p>
<b>Interest on Application Money</b>	This issue does not contemplate any interest on application money till allotment of Debentures.
<b>Record Date</b>	The day falling 15 (fifteen) calendar days prior to the Redemption Date of the Debentures
<b>Covenants of the Issue (including side letters, accelerated payment clause etc.)</b>	<ol style="list-style-type: none"> <li>1. The Company shall comply with the Applicable Laws concerning listed debentures;</li> <li>2. The Company shall do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents, and in accordance with the Company's Memorandum and Articles of Association;</li> <li>3. None except for the covenants as specified in the Debenture Trust Deed.</li> </ol>
<b>Transaction Documents</b>	<ol style="list-style-type: none"> <li>a. Information Memorandum;</li> <li>b. Debenture Trustee Agreement;</li> <li>c. Debenture Trust Deed;</li> <li>d. Pledge Agreement and Power of Attorney;</li> <li>e. Deed of Hypothecation and Power of Attorney ;</li> <li>f. Demat Account Special Power of Attorney;</li> <li>g. Escrow Agreement; and</li> <li>h. Any other document that may be so designated mutually by the Company and the Trustee.</li> </ol>
<b>Conditions Precedent</b>	Nil
<b>Conditions Subsequent</b>	Nil
<b>Provisions related to Cross Default Clause</b>	Not Applicable
<b>Early Redemption Option</b>	<p>The Company has an option to redeem the Debentures ("Early Redemption Option"), to be exercised by the Company any time after the Deemed Date of Allotment on occurrence of any one or more than one of the following events-</p> <p>"Issuer Tax Change Event" and/or "Change in Law" and/or "Force Majeure Event" and/or "Hedging Disruption Event" and/or "Market Suspension Event" and/or "Increased Cost of Hedging" and/or "Reference Index Modification Event" and/or "Regulatory events for Investor" and/or in case if the Edelweiss Infra Yield Plus fund ("the Fund") pays back more than 20% of redistribution post the allotment date or if the Fund closes down. Hereinafter collectively referred to as the "<b>Early Redemption Events</b>"</p> <p>Further, notwithstanding anything contained in the Transaction Documents, the Company shall not be liable for any failure to perform any of its obligations under the Transaction Documents, if the performance is prevented, hindered or delayed by any one or more of the Early Redemption</p>

	<p>Events. The decision of the Company about the occurrence of the events mentioned above shall be final and binding in respect of all Debenture Holders.</p> <p>Intimation to Investor:</p> <p>If the Company opts to redeem the debentures on occurrence of any of the Early Redemption Events, the Company shall intimate the Trustee prior to 7 (seven) Business Days from making any payment pursuant to such Early Redemption Option.</p> <p>Early Redemption Option Exercise Date:</p> <p>The date on which the Company makes the payment pursuant to the Early Redemption Option.</p> <p>Redemption Proceeds: In case the Early Redemption Option is exercised by the Company, the Debenture Holder shall be paid the fair value of the Debenture calculated as on such Early Redemption Option Exercise Date.</p> <p>The fair value will be calculated by the [Calculation Agent] based on:</p> <p>(a) For the Principal Repayment: The present value of the Debenture will be calculated by the calculation agent based on the G-Sec yield one day prior to Early Redemption Option Exercise Date plus AA- spread over G-Sec yield, on the basis of a poll undertaken from three reference market-makers selected by the calculation agent at its sole discretion in good faith.</p> <p>(b) For Coupon Payment: The value of the pay-out will be calculated using the standard 'Black and Scholes' option valuation model with input parameters as determined by the [Calculation Agent].</p> <p>The decision of the Calculation Agent in deciding the Coupon payment based on the 'Black and Scholes' option valuation model, shall be final and binding in respect of all the Debenture Holders.</p>
<b>Calculation Agent</b>	The calculation agent shall mean Edelcap Securities Limited.
<b>Roles and Responsibilities of Debenture Trustee</b>	The Trustee shall be bound by such duties as prescribed under Regulation 15 of SEBI (Debenture Trustees) Regulation 1993 and as mentioned in Debenture Trust Deed.
<b>Risk factors pertaining to the Issue</b>	<p>Following are the certain risks in relation to the Debentures:</p> <p><b>1. Management's perception of Risk Factors</b></p> <ol style="list-style-type: none"> <li>Early Termination for Extraordinary Reasons, Illegality and Force Majeure;</li> <li>Interest Rate Risk on Bonds/ Government securities;</li> <li>Changes or discontinuance of the Underlying;</li> <li>Returns on Debentures are subject to Model Risk;</li> <li>Increasing competition from banks, financial institutions and NBFCs;</li> </ol>

	<p>f. Downgrading in Credit Rating;</p> <p>g. Security may be insufficient to redeem debentures; and</p> <p>h. Repayment is subject to the credit risk of Issuer.</p> <p><b>2. External Risk Factors</b></p> <p>a. The Debentures and the Assets provided as Security cover may be illiquid;</p> <p>b. A slowdown in economic growth in India;</p> <p>c. Conditions in the Indian Debt market may affect the coupon on the Debentures;</p> <p>d. Conditions in the Indian Equity market may affect the coupon on the Debentures; and</p> <p>e. Spread of COVID-19 and the consequent nationwide lockdown to impact the Issuer's operations and financial condition</p> <p>Please refer to the Disclosure Documents for details.</p>
<b>Valuation Agency Fees</b>	Fees paid to Valuation Agent by the Issuer shall be in the range of 3 bps p.a. to 15 bps p.a. on the face value of the outstanding Debentures.
<b>Valuation Agent</b>	CARE Risk Solutions Pvt. Ltd.
<b>Governing Law and Jurisdiction</b>	<p>The Debentures are governed by and will be construed in accordance with the Indian law.</p> <p>Courts and tribunals of Mumbai shall have exclusive jurisdiction to try any disputes in relation to the Transaction Documents.</p>
<b>Other Terms</b>	<p><b>Default in Payment:</b></p> <p>In case of default in payment of Coupon and/or principal redemption on the Redemption Date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.</p> <p><b>Delay in Execution of Debenture Trust Deed:</b></p> <p>Where an issuer fails to execute the debenture trust deed within the period specified in the sub-regulation (1) of Regulation 15, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the debenture trust deed.</p> <p><b>Delay in Listing:</b></p> <p><u>For applicant other than FPI/FII/sub-accounts of FIIs</u></p> <p>In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @ 1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p>



	<p><u>For investments by FPIs / FII/sub-accounts of FIIs</u></p> <p>In case of delay in listing of the Debentures beyond 15 days from the Deemed Date of Allotment for any reason, then the FII/sub-account of FII shall immediately dispose of these Debentures either by way of sale to a third party or to the Company and the Company will be under an obligation to redeem the Debentures.</p> <p>With reference to the Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of FII investment in 'to be listed' debt securities, Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 15 days of Deemed Date of Allotment to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the Debentures either by way of sale to domestic participants/investors until the Debentures are listed or if the FIIs / sub-accounts of FIIs approaches the Issuer, the Issuer shall immediately redeem / buyback the Debentures from the FIIs/sub-accounts of FIIs.</p> <p>The interest rates mentioned in above are independent of each other.</p>
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## 22. Illustration of Cash Flows:

<b>Company</b>	<b>Edelweiss Finvest Limited (Formerly known as Edelweiss Finvest Private Limited)</b>	
<b>Face Value</b>	Rs. 100,000/- Per Debenture	
<b>Deemed Date of Allotment</b>	12-Nov-2020	
<b>Redemption Date</b>	15-May-2023	
<b>Coupon</b>	<b>Scenario</b>	<b>Coupon</b>
	If Final Fixing Level > 50% of Initial Fixing Level	32.82%
	If Final Fixing Level <= 50% of Initial Fixing Level	0.0%
<b>Coupon Dates/Frequency</b>	<b>Payment</b>	Coupon if any, will be paid on Redemption Date
<b>Day Count Convention</b>	Not Applicable	

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	15-May-2023	914	* Coupon linked to Underlying / Reference Index.
Face Value	15-May-2023	914	Rs. 100,000/- Per Debenture
Total	15-May-2023	914	Rs. 100,000 *(1+Coupon) /- Per Debenture

\* Coupon on the Debentures, if any shall be payable on the Redemption Date

**#Principal Amount = (Face Value per debenture) \* (No. of Debentures subscribed)**

***Company reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment may also be revised by the Company at its sole and absolute discretion. In the event of any change in the above issue dates, the investors shall be intimated of the revised schedule by the Company.***

While the Debentures are secured to the tune of 100% of the principal and interest amount/ valuation or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.



### 23) SCENARIO ANALYSIS FOR B3K001A

The following table shows the value of the Debenture at maturity under different market conditions:

#### Scenario I

##### Final Fixing Level is less than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
1000.00	0.00	-100.00%	0.00%	0.00%
1000.00	100.00	-90.00%	0.00%	0.00%
1000.00	200.00	-80.00%	0.00%	0.00%
1000.00	300.00	-70.00%	0.00%	0.00%
1000.00	400.00	-60.00%	0.00%	0.00%
1000.00	500.00	-50.00%	0.00%	0.00%
1000.00	500.10	-49.99%	32.82%	12.00%
1000.00	600.00	-40.00%	32.82%	12.00%
1000.00	700.00	-30.00%	32.82%	12.00%
1000.00	800.00	-20.00%	32.82%	12.00%
1000.00	900.00	-10.00%	32.82%	12.00%

#### Scenario II

##### Final Fixing Level is equal to Initial Fixing Level

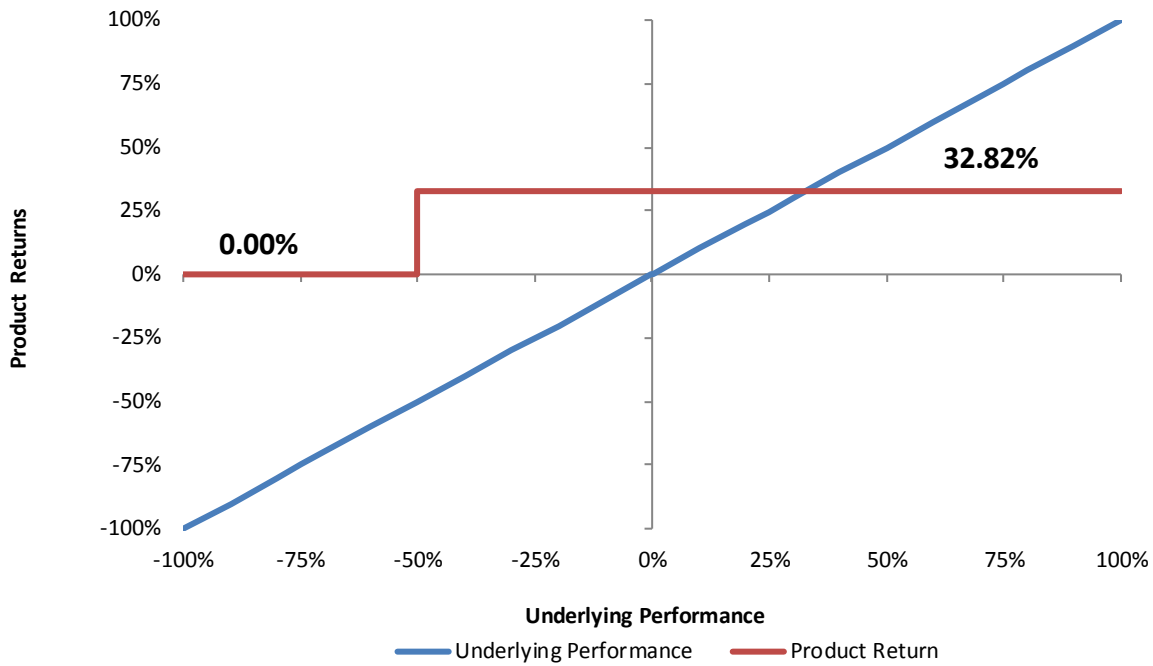
Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
1000.00	1000.00	0.00%	32.82%	12.00%

#### Scenario III

##### Final Fixing Level is greater than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
1000.00	1100.00	10.00%	32.82%	12.00%
1000.00	1200.00	20.00%	32.82%	12.00%
1000.00	1300.00	30.00%	32.82%	12.00%
1000.00	1400.00	40.00%	32.82%	12.00%
1000.00	1500.00	50.00%	32.82%	12.00%
1000.00	1600.00	60.00%	32.82%	12.00%
1000.00	1700.00	70.00%	32.82%	12.00%
1000.00	1800.00	80.00%	32.82%	12.00%
1000.00	1900.00	90.00%	32.82%	12.00%
1000.00	2000.00	100.00%	32.82%	12.00%

*\*Effective annualized returns are basis effective issue price*



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

## 24) DECLARATION

It is hereby declared that this Disclosure Document contains full disclosure in accordance with Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD - NRO/GN/2008/13/127878 dated June 06, 2008 and as amended from time to time (including Securities Exchange Board Of India (Issue And Listing Of Debt Securities) (Amendment) Regulations, 2012 through notification dated October 12, 2012), and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 through notification dated March 24, 2015, SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011 and RBI Circular RBI/2014-15/475/DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015. The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement. The Issuer accepts no responsibility for the statements made otherwise than in this Disclosure Document or in any other material issued by or at the instance of the Issuer and any one placing reliance on any other source of information would be doing so at his own risk.

Further, the Directors declare that:


- a) the company has complied with the provisions of the Act and the rules made thereunder;
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

I am authorized by the Debenture Committee constituted by the Board of Directors of the Company vide resolution number 6 dated July 1, 2016 to sign this Disclosure Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Disclosure Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **EDELWEISS FINVEST LIMITED**

Signature valid

Digitally signed by Puja D'Souza 

Name: Puja D'Souza  
Designation: Director

Place: Mumbai  
Date: 12 Nov 2020

❖ This is a digitally signed document and it is recommended to validate the signature before taking print out of the document.

**PART B****(To be filled by the Applicant)**

i.	Name	
ii.	Father's Name	
iii.	Complete Address including Flat/House Number, Street, Locality, Pin Code	
iv.	Phone Number, if any	
v.	Email ID, if any	
vi.	PAN Number	
vii.	Bank Account Details	

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Signature

THE NUMBER OF PERSONS TO WHOM ALLOTMENT ON PRIVATE PLACEMENT / RIGHTS ISSUE HAS ALREADY BEEN MADE DURING THE YEAR, IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE AS ON SEPTEMBER 30, 2020

Type of Securities	Number of Persons	Number of Securities	Price per Security (In Rs.)	Basis of Allotment
Non-Convertible Debentures	0	0	NA	NA

## DETAILS OF NON-CONVERTIBLE DEBENTURES AS ON SEPTEMBER 30, 2020

ISIN	Tenor / Period of maturity	Coupon	Amounts outstanding ( in millions)	Dates of Allotment	Redemption Date/Schedule	Rating	Secured/ Unsecured
INE918K07854	2555	Market Linked	50000000	25-Feb-15	23-Feb-22	CARE AA PP MLD	SECURED
INE918K07888	2555	Market Linked	50000000	27-Feb-15	25-Feb-22	CARE AA PP MLD	SECURED
INE918K07896	2555	Market Linked	10000000	27-Feb-15	25-Feb-22	CARE AA PP MLD	SECURED
INE918K07912	2555	Market Linked	19900000	02-Mar-15	28-Feb-22	CARE AA PP MLD	SECURED
INE918K07AB9	2555	Market Linked	100000000	27-Mar-15	25-Mar-22	CARE AA PP MLD	SECURED
INE918K07AC7	2555	Market Linked	3000000	27-Mar-15	25-Mar-22	CARE AA PP MLD	SECURED
INE918K07CF6	1825	Market Linked	10000000	11-Sep-15	09-Sep-20	CARE AA PP MLD	SECURED
INE241O07580	1280	Market Linked	10000000	31-Jan-17	03-Aug-20	PP MLD [ICRA] AA	SECURED
INE241O08067	1826	Market Linked	10000000	03-Feb-17	03-Feb-22	PP MLD [ICRA] AA	UNSECURED
INE241O08075	1279	Market Linked	150000000	15-Feb-17	17-Aug-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O08083	1279	Market Linked	160000000	15-Feb-17	17-Aug-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O07GG4	1462	Market Linked	5300000	07-Jan-20	08-Jan-24		SECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	500000000	09-Jan-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	125000000	05-Feb-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	240000000	14-Feb-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	250000000	27-Feb-18	04-Jan-28	BWR AA+	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	50000000	01-Mar-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	70000000	13-Mar-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	250000000	19-Apr-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	135000000	25-Apr-18	04-Jan-28	BWR AA+	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	164000000	03-May-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	100000000	31-May-18	04-Jan-28	CRISIL AA/Stable	UNSECURED



INE241O08208	3647	9.25% * (Coupon Period/365) * Face Value :	40000000	27-Dec-18	04-Jan-28	CRISIL AA/Stable	UNSECURED
INE241O07630	1826	Market Linked	12500000	02-Feb-17	02-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O08091	1278	Market Linked	70000000	27-Feb-17	28-Aug-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O07960	1278	Market Linked	50000000	10-Mar-17	08-Sep-20	PP MLD [ICRA] AA	SECURED
INE241O07978	1217	Market Linked	50000000	10-Mar-17	09-Jul-20	PP MLD [ICRA] AA	SECURED
INE241O07994	1217	Market Linked	10000000	10-Mar-17	09-Jul-20	PP MLD [ICRA] AA	SECURED
INE241O07GI0	421	Market Linked	10000000	04-Feb-20	31-Mar-21	CRISIL PP-MLD AA-r/Stable	SECURED
INE241O07FY9	1278	Market Linked	36900000	28-Feb-19	29-Aug-22		SECURED
INE241O07FJ0	1461	Market Linked	80000000	30-May-18	30-May-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FJ0	1461	Market Linked	27600000	20-Jun-18	30-May-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FJ0	1461	Market Linked	36300000	29-Jun-18	30-May-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FJ0	1461	Market Linked	26000000	01-Oct-18	30-May-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FJ0	1461	Market Linked	50000000	28-Sep-18	30-May-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FJ0	1461	Market Linked	10000000	04-Oct-18	30-May-22	PP-MLD [ICRA] AA	SECURED
INE241O07FJ0	1461	Market Linked	36400000	30-Oct-18	30-May-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FJ0	1461	Market Linked	5200000	07-Dec-18	30-May-22	PP-MLD [ICRA] AA	SECURED
INE241O07FZ6	1281	Market Linked	10000000	07-Mar-19	08-Sep-22		SECURED
INE241O07945	1217	Market Linked	20000000	08-Mar-17	07-Jul-20	PP MLD [ICRA] AA	SECURED
INE241O07AA0	1218	Market Linked	40000000	16-Mar-17	16-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07AT0	1217	Market Linked	10000000	05-Apr-17	04-Aug-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	47500000	28-Mar-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	30000000	06-Apr-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	33500000	18-Apr-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	20000000	11-May-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	10000000	07-Jun-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	34100000	30-Jul-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	50000000	26-Jul-18	28-Sep-21	PP-MLD [ICRA] AA	SECURED
INE241O07FH4	1280	Market Linked	10000000	31-Jul-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	31400000	31-Aug-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	20000000	30-Aug-18	28-Sep-21	PP-MLD [ICRA] AA	SECURED
INE241O07FH4	1280	Market Linked	7900000	28-Sep-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	14900000	30-Oct-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	25600000	21-Dec-18	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	4800000	28-Dec-18	28-Sep-21	PP-MLD [ICRA] AA	SECURED
INE241O07FH4	1280	Market Linked	11000000	30-Jan-19	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	9400000	26-Mar-19	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	13900000	02-May-19	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FH4	1280	Market Linked	9200000	24-May-19	28-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	55000000	20-Mar-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	50000000	23-Mar-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	10000000	28-Mar-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	10000000	26-Apr-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	10000000	07-May-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED

INE241O07FD3	1280	Market Linked	50000000	11-May-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	125000000	18-May-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	15200000	25-Jun-18	20-Sep-21	PP-MLD [ICRA] AA	SECURED
INE241O07FD3	1280	Market Linked	96400000	10-Jul-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	10000000	24-Jul-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FD3	1280	Market Linked	2300000	10-Oct-18	20-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07937	2555	8.80% * (Coupon Period/365) * Face Value :	300000000	03-Mar-17	01-Mar-24	CRISIL AA/Stable	SECURED
INE241O07AI3	1217	Market Linked	95000000	23-Mar-17	22-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07AN3	1218	Market Linked	22500000	30-Mar-17	30-Jul-20	PP MLD [ICRA] AA	SECURED
INE241O07AO1	1217	Market Linked	70000000	30-Mar-17	29-Jul-20	PP MLD [ICRA] AA	SECURED
INE241O07AP8	1217	Market Linked	30000000	30-Mar-17	29-Jul-20	PP MLD [ICRA] AA	SECURED
INE241O07AV6	1218	Market Linked	15000000	06-Apr-17	06-Aug-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07AW4	1218	Market Linked	20000000	13-Apr-17	13-Aug-20	PP MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	20000000	10-Jan-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	50000000	31-Jan-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	12500000	14-Mar-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	39200000	12-Apr-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	10000000	16-Apr-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	12500000	18-Apr-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	22500000	26-Apr-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	25000000	15-May-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	9700000	16-May-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	6300000	30-May-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	92500000	08-Jun-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	34500000	30-Jul-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	14300000	06-Aug-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	47700000	31-Aug-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	25000000	21-Aug-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	10000000	12-Sep-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	11900000	30-Oct-18	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	7200000	16-Nov-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	14100000	03-Dec-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	2500000	10-Dec-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	18900000	26-Dec-18	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	2800000	11-Jan-19	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	9400000	15-Jan-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	2400000	18-Jan-19	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	11700000	01-Feb-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	18800000	06-Feb-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	14000000	08-Feb-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	5000000	21-Feb-19	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	2300000	26-Feb-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	9400000	01-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED

INE241O07EY2	912	Market Linked	9300000	08-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	9100000	14-Mar-19	10-Jul-20	PP-MLD [ICRA] AA	SECURED
INE241O07EY2	912	Market Linked	7300000	18-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	20000000	20-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	4000000	22-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	10000000	27-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	6800000	26-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	95100000	29-Mar-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	13700000	02-May-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	10000000	15-May-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EY2	912	Market Linked	18000000	14-Jun-19	10-Jul-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07BA8	1217	Market Linked	18000000	27-Apr-17	26-Aug-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07BB6	1218	Market Linked	35000000	27-Apr-17	27-Aug-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07BJ9	1218	Market Linked	130000000	12-May-17	11-Sep-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07BC4	1218	Market Linked	15000000	04-May-17	03-Sep-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07BD2	1217	Market Linked	10000000	04-May-17	02-Sep-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07BG5	1217	Market Linked	62500000	11-May-17	09-Sep-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O08141	1278	Market Linked	10000000	19-May-17	17-Nov-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O08117	1217	Market Linked	10000000	17-May-17	15-Sep-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O07DU2	1217	Market Linked	48000000	31-May-17	29-Sep-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07DVO	1218	Market Linked	10000000	01-Jun-17	01-Oct-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FI2	1280	Market Linked	10000000	25-May-18	25-Nov-21		SECURED
INE241O07FK8	1279	Market Linked	12500000	06-Jun-18	06-Dec-21		SECURED
INE241O07GA7	1280	Market Linked	2500000	21-Jun-19	22-Dec-22		SECURED
INE241O07EA2	1217	Market Linked	10000000	08-Jun-17	07-Oct-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O08158	1218	Market Linked	10000000	05-Jun-17	05-Oct-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O08174	1217	Market Linked	22500000	20-Jun-17	19-Oct-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O07EH7	1217	Market Linked	15500000	27-Jun-17	26-Oct-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O08190	1281	Market Linked	20000000	28-Jun-17	30-Dec-20	CRISIL PP-MLD AAr/Stable	UNSECURED
INE241O07FL6	1188	Market Linked	20000000	14-Jun-18	14-Sep-21	PP-MLD [ICRA] AA	SECURED
INE241O07FM4	1187	Market Linked	10000000	18-Jun-18	17-Sep-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FN2	1281	Market Linked	12500000	02-Jul-18	03-Jan-22		SECURED
INE241O07GF6	1461	Market Linked	7500000	26-Dec-19	26-Dec-23		SECURED
INE241O07GC3	1462	Market Linked	16700000	31-Dec-19	01-Jan-24		SECURED
INE241O07EE4	3647	8.80%*(Coupon Period/365)*Face Value :	170000000	21-Jun-17	16-Jun-27	CRISIL AA/Stable	SECURED
INE241O07EC8	1217	Market Linked	10000000	15-Jun-17	14-Oct-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07ED6	1281	Market Linked	10000000	15-Jun-17	17-Dec-20	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FP7	1461	Market Linked	11000000	08-Aug-18	08-Aug-22		SECURED
INE241O07GH2	1463	Market Linked	11500000	20-Jan-20	22-Jan-24		SECURED
INE241O07FS1	1281	Market Linked	450000000	30-Aug-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	75000000	04-Sep-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	72400000	14-Sep-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	83200000	28-Sep-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	42500000	11-Sep-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED

INE241O07FS1	1281	Market Linked	35000000	19-Sep-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	47500000	25-Sep-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	40000000	18-Sep-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	61800000	17-Sep-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	22500000	26-Sep-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	10000000	04-Oct-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	8000000	03-Oct-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	15400000	05-Oct-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	10000000	16-Oct-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	10400000	19-Oct-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	18400000	31-Oct-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	30000000	10-Oct-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	10700000	26-Oct-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	12800000	30-Nov-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	1000000	06-Nov-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	10300000	22-Nov-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	7700000	07-Dec-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	5900000	14-Dec-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	18300000	24-Dec-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	2600000	21-Dec-18	03-Mar-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FS1	1281	Market Linked	2600000	28-Dec-18	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	7900000	04-Jan-19	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	2600000	11-Jan-19	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FS1	1281	Market Linked	5600000	18-Jan-19	03-Mar-22	PP-MLD [ICRA] AA	SECURED
INE241O07FR3	1280	Market Linked	10000000	16-Aug-18	16-Feb-22		SECURED
INE241O07FT9	1281	Market Linked	19900000	03-Sep-18	07-Mar-22		SECURED
INE241O07GJ8	1460	Market Linked	4700000	17-Feb-20	16-Feb-24		SECURED
INE241O08042	3647	Market Linked	40000000	13-Jan-17	08-Jan-27	PP MLD [ICRA] AA	UNSECURED
INE241O07093	1826	Market Linked	50000000	06-Sep-16	06-Sep-21	PP MLD [ICRA] AA	SECURED
INE241O08034	1826	Market Linked	17000000	04-Jan-17	04-Jan-22	PP MLD [ICRA] AA	UNSECURED
INE241O07EZ9	1461	Market Linked	130000000	09-Feb-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	49700000	15-Feb-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	10000000	16-Feb-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	258500000	23-Feb-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	77300000	28-Feb-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	10000000	16-Mar-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	20000000	23-Mar-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	52300000	28-Mar-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	29400000	06-Apr-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	10000000	02-May-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	10000000	08-May-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	14700000	08-Jun-18	09-Feb-22	PP-MLD [ICRA] AA	SECURED
INE241O07EZ9	1461	Market Linked	2500000	15-Jun-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	10400000	27-Jun-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED

INE241O07EZ9	1461	Market Linked	10000000	30-Jul-18	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	10000000	29-Aug-18	09-Feb-22	PP-MLD [ICRA] AA	SECURED
INE241O07EZ9	1461	Market Linked	33000000	22-Feb-19	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	28000000	08-Mar-19	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	48000000	12-Apr-19	09-Feb-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EZ9	1461	Market Linked	33000000	23-Aug-19	09-Feb-22	CRISIL PP- MLD AAr/Negative	SECURED
INE241O07465	1827	Market Linked	15000000	16-Jan-17	17-Jan-22	PP MLD [ICRA] AA	SECURED
INE241O08059	1826	Market Linked	11500000	24-Jan-17	24-Jan-22	PP MLD [ICRA] AA	UNSECURED
INE241O07FA9	1461	Market Linked	15000000	21-Feb-18	21-Feb-22		SECURED
INE241O07FB7	1460	Market Linked	10000000	26-Feb-18	25-Feb-22		SECURED
INE241O08216	1278	9.05% * (Coupon Period/365) * Face Value :	130000000	13-Apr-18	12-Oct-21	CRISIL AA/Stable	UNSECURED
INE241O08216	1278	9.05% * (Coupon Period/365) * Face Value :	100000000	25-Apr-18	12-Oct-21	BWR AA+	UNSECURED
INE241O08216	1278	9.05% * (Coupon Period/365) * Face Value :	50000000	14-May-18	12-Oct-21	CRISIL AA/Stable	UNSECURED
INE241O07EX4	1281	Market Linked	60000000	29-Dec-17	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	10000000	05-Jan-18	02-Jul-21	PP-MLD [ICRA] AA	SECURED
INE241O07EX4	1281	Market Linked	14700000	28-Feb-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	9800000	28-Mar-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	10000000	16-Apr-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	95600000	18-Apr-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	60500000	30-May-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	15000000	04-Jun-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	50000000	08-Jun-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	10000000	09-Jul-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	49300000	30-Jul-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07EX4	1281	Market Linked	50000000	16-Oct-18	02-Jul-21	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	657400000	21-Dec-18	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	224600000	28-Dec-18	24-Jun-22	PP-MLD [ICRA] AA	SECURED
INE241O07FW3	1281	Market Linked	46000000	24-Dec-18	24-Jun-22	PP-MLD [ICRA] AA	SECURED
INE241O07FW3	1281	Market Linked	246400000	31-Dec-18	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	38500000	01-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	15100000	04-Jan-19	24-Jun-22	PP-MLD [ICRA] AA	SECURED
INE241O07FW3	1281	Market Linked	102900000	10-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	5000000	08-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	100000000	15-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	9400000	11-Jan-19	24-Jun-22	PP-MLD [ICRA] AA	SECURED
INE241O07FW3	1281	Market Linked	70500000	14-Jan-19	24-Jun-22	PP-MLD [ICRA] AA	SECURED
INE241O07FW3	1281	Market Linked	169800000	18-Jan-19	24-Jun-22	PP-MLD [ICRA] AA	SECURED
INE241O07FW3	1281	Market Linked	20700000	29-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	2500000	23-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	73700000	25-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED

INE241O07FW3	1281	Market Linked	25900000	30-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	145000000	31-Jan-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	255400000	08-Feb-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	37500000	01-Feb-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	2000000	06-Feb-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	82800000	27-Feb-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	5000000	25-Feb-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07FW3	1281	Market Linked	2500000	01-Mar-19	24-Jun-22	CRISIL PP-MLD AAr/Stable	SECURED
INE241O07GB5	927	Market Linked	15000000	01-Oct-19	15-Apr-22	CRISIL PP- MLD AAr/Negative	SECURED
INE241O07FV5	1283	Market Linked	10000000	12-Dec-18	17-Jun-22	PP-MLD [ICRA] AA	SECURED
INE241O07432	1278	Market Linked	10500000	06-Jan-17	07-Jul-20	PP MLD [ICRA] AA	SECURED
INE241O07515	1278	Market Linked	16000000	20-Jan-17	21-Jul-20	PP MLD [ICRA] AA	SECURED

# Price Waterhouse Chartered Accountants LLP

## TO THE MEMBERS OF EDELWEISS FINVEST PRIVATE LIMITED

### Report on the Financial Statements

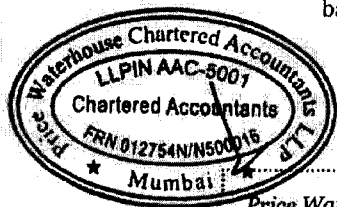
1. We have audited the accompanying financial statements of Edelweiss Finvest Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Finvest Private Limited

Report on the Financial Statements

Page 2 of 3

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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, 2018, and its profit and its cash flows for the year ended on that date.

### Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A;





# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

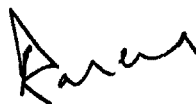
To the Members of Edelweiss Finvest Private Limited

Report on the Financial Statements

Page 3 of 3

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 2.34;
  - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.5, 2.9 and 2.70;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018; and
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 01256N/N500016  
Chartered Accountants



Russell I Pareera  
Partner  
Membership Number : 42190

Mumbai  
May 02, 2018

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018

Page 1 of 3

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

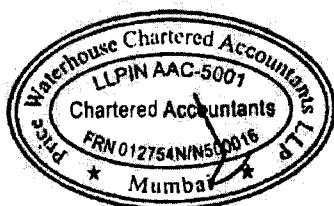
1. We have audited the internal financial controls over financial reporting of Edelweiss Finvest Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018

Page 2 of 3

## Meaning of Internal Financial Controls Over Financial Reporting

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

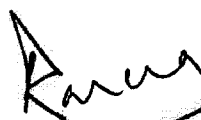
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/ N500016  
Chartered Accountants



Russell I Parera  
Partner  
Membership Number : 42190

Mumbai  
May 02, 2018

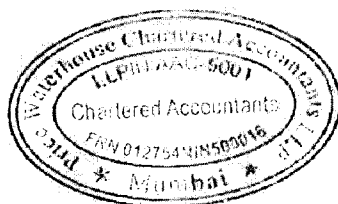
# **Price Waterhouse Chartered Accountants LLP**

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements as of and for the year ended March 31, 2018

Page 1 of 3

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.  
  
(c) The title deeds of immovable properties, as disclosed in Note 2.10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The verification of securities held as stock in trade have been conducted on the basis of statement of holding received from the Depository Participants and account statement of Mutual Fund at reasonable intervals by the Management during the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company being a Non-banking financial Company and therefore, the provisions of Clause 3(iv) of the said Order in respect of Section 185 and 186 (2) is not applicable.  
  
In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 (1) of the Companies Act, 2013 as applicable, in respect of investment made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including profession tax, provident fund, employees' state insurance, income tax, service tax, goods and service tax with effect from July 1, 2017, value added tax, cess, TDS and other material statutory dues, as applicable, with the appropriate authorities.



# Price Waterhouse Chartered Accountants LLP

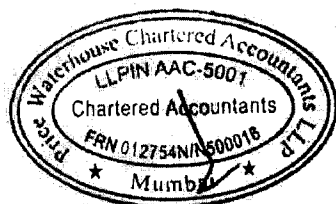
## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018  
Page 2 of 3

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	47.10	Assessment Year 2014-15	Commissioner of Income Tax (A)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.



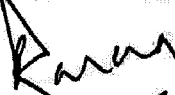
# **Price Waterhouse Chartered Accountants LLP**

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018  
Page 3 of 3

- xv. The Company has not entered into any non -cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non- Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Russell I Pareira  
Partner  
Membership Number : 42190

Mumbai  
May 02, 2018

# Edelweiss Finvest Private Limited

## Balance sheet

(Currency : Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	333,258,750	255,129,000
Reserves and surplus	2.2	8,051,066,932	5,141,836,803
		<u>8,384,325,682</u>	<u>5,396,965,803</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	9,011,324,185	4,740,997,860
Deferred tax liabilities (net)	2.12	-	3,867,177
Other long-term liabilities	2.4	2,347,724,770	74,830,293
Long-term provisions	2.5	274,334,341	3,168,278
		<u>11,633,383,296</u>	<u>4,822,863,608</u>
<b>Current liabilities</b>			
Short-term borrowings	2.6	7,765,857,481	-
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	2.35	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.7	345,560,380	53,111,592
Other current liabilities	2.8	7,156,536,293	1,877,488,456
Short-term provisions	2.9	572,107,247	67,368,831
		<u>15,840,061,401</u>	<u>1,997,968,879</u>
<b>Total</b>		<u><b>35,857,770,379</b></u>	<u><b>12,217,798,290</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant and Equipment	2.10	1,133,137	1,103,371
Non-current investments	2.11	4,337,039,072	2,792,423,903
Deferred tax assets (net)	2.12	231,059,465	-
Long-term loans and advances	2.13	5,616,043,761	771,846,301
Other non-current assets	2.14	206,767,206	96,005,916
		<u>10,392,042,641</u>	<u>3,661,379,491</u>
<b>Current assets</b>			
Current Investments	2.15	-	79,000,000
Stock-in-trade	2.16	22,231,435,327	6,582,283,194
Trade receivables	2.17	23,319,046	-
Cash and bank balances	2.18	363,746,087	70,186,351
Short-term loans and advances	2.19	1,388,883,456	1,128,333,748
Other current assets	2.20	1,458,343,822	696,615,506
		<u>25,465,727,738</u>	<u>8,556,418,799</u>
<b>Total</b>		<u><b>35,857,770,379</b></u>	<u><b>12,217,798,290</b></u>

The accompanying notes are an integral part of the financial statements

1 & 2

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No: 012754N / NS00016

Russell I Parera

Partner

Membership No: 42190

Mumbai

2 May 2018

For and on behalf of the Board of Directors

Puja D Souza

Director

DIN : 05136515

Hari Ram Misra

Director

DIN : 07599248

Sachin Gandhi

Chief Financial Officer

Niket Joshi

Company Secretary

Mumbai

2 May 2018

## Edelweiss Finvest Private Limited

### Statement of profit and loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue from operations</b>			
Fee and commission income	2.21	87,463,526	
Income from treasury	2.22	51,616,818	(5,952,367)
Interest income	2.23	3,188,276,415	1,105,463,408
<b>Other income</b>	2.24		20,225
<b>Total revenue</b>		<b>3,327,358,759</b>	<b>1,099,531,266</b>
<b>Expenses</b>			
Employee benefit expenses	2.25	34,448,525	5,417,908
Finance costs	2.26	563,073,499	363,931,642
Depreciation and amortisation expense	2.10	109,237	61,788
Other expenses	2.27	1,034,883,228	49,814,368
<b>Total expenses</b>		<b>1,632,514,489</b>	<b>419,225,706</b>
<b>Profit before tax</b>		<b>1,694,844,270</b>	<b>680,305,560</b>
<b>Tax expenses:</b>			
Current tax [includes short / (excess) provision for earlier years of ₹ 103,055,681; previous year ₹ 352,722]		477,892,320	207,782,294
Deferred tax (net)		(115,249,256)	9,427,578
<b>Profit after tax</b>		<b>1,332,201,206</b>	<b>463,095,688</b>
<b>Earnings per equity share (₹) (Face value of ₹ 10 each)</b>	2.30		
Basic		118.33	165.04
Diluted		118.33	18.15

The accompanying notes are an integral part of the financial statements 1 & 2

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No: 012754N / N500016

  
Russell I Parera

Partner

Membership No: 42190

Mumbai

2 May 2018

For and on behalf of the Board of Directors

  
Puja D'souza

Director

DIN : 05136515

  
Hari Ram Mishra

Director

DIN : 07599248

  
Sheetal Gandhi

Chief Financial Officer

Mumbai

2 May 2018

  
Niket Joshi

Company Secretary

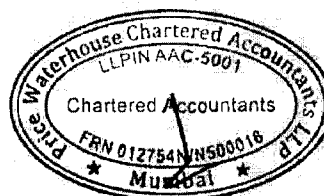


# Edelweiss Finvest Private Limited

## Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profit before taxation	1,694,844,270	680,305,560
<i>Adjustments for</i>		
Depreciation	109,237	61,788
Provision for compensated absences	124,423	(115,000)
Provision for non performing asset	483,550,000	-
Provision for standard asset	67,837,979	12,092,839
Loss on sale of fixed assets	3,393	-
Diminution in value of non-current investments	57,829,765	-
Dividend on current investments	(762,148,735)	(71,148,000)
Profit on sale of current investment	(2,922,266)	12,313,436
Profit on sale of non-current investment	(513,275,158)	-
Interest accrued on fixed deposits	(4,054,434)	(4,135,009)
Bad- debts and advances written off	290,800,000	-
<b>Operating cash flow before working capital changes</b>	<b>1,312,698,474</b>	<b>629,375,614</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
(Increase) /decrease in receivables from financing business (net) (refer note 1)	(5,304,917,555)	1,513,805,876
Increase in stock in trade	(15,649,152,133)	(4,932,283,194)
Increase in loans and advances and other current assets	(941,611,540)	(606,406,761)
Increase in liabilities and provisions	3,460,036,272	15,315,177
<b>Cash used in operations</b>	<b>(17,122,946,482)</b>	<b>(3,380,193,288)</b>
Income taxes paid	(308,280,301)	(187,426,383)
<b>A Net cash used in operating activities</b>	<b>(17,431,226,783)</b>	<b>(3,567,619,671)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(142,161)	-
Sale of non current investments	1,140,493,057	-
Purchase of non current investments	(2,229,662,832)	(2,792,423,903)
Purchase of current investments	-	(875,010,000)
Sale of current investment	81,922,266	853,696,571
Dividend on investments	762,148,735	71,148,000
Interest income received on fixed deposit	4,054,434	4,136,426
<b>B Net cash used in investing activities</b>	<b>(241,186,501)</b>	<b>(2,738,452,906)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from long term borrowings	15,860,400,000	6,307,997,860
Repayment of long term borrowings	(7,200,413,247)	-
Increase / (decrease) in short term borrowing	7,765,857,481	(14,545,965)
Adjustment on account of demerger (Refer note 2.56)	1,540,128,787	-
<b>C Net cash generated from financing activities</b>	<b>17,965,973,021</b>	<b>6,293,451,895</b>



# Edelweiss Finvest Private Limited

## Cash Flow Statement (Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>293,559,736</u>	<u>(12,620,682)</u>
Cash and cash equivalent as at the beginning of the year	20,186,351	32,807,033
Cash and cash equivalent as at the end of the year (Refer note 2.18)	313,746,087	20,186,351

### Notes:

- 1 Net figures have been reported on account of volume of transactions.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accompanying notes are an integral part of these financial statements

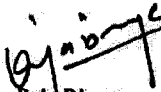
This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Chartered Accountants  
Firm's Registration No: 012754N / N500016

  
Russell I Parera  
Partner  
Membership No: 42190

Mumbai  
2 May 2018

For and on behalf of the Board of Directors

  
Puja D'souza  
Director  
DIN : 05136515

  
Hari Ram Misra  
Director  
DIN : 07599248

  
Shweta Gandhi  
Chief Financial Officer

  
Niket Joshi  
Company Secretary

Mumbai  
2 May 2018

# Edelweiss Finvest Private Limited

## Notes to the financial statements

### 1. Significant accounting policies

#### 1.1 Background

Edelweiss Finvest Private Limited ('the Company') is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non Deposit Accepting Non Banking Financial Company. The Company was incorporated on 23 August 2006, and is a subsidiary of Ecap Equities Limited which is a 100% subsidiary of Edelweiss Financial Services Limited (the ultimate holding company).

The Company is primarily engaged in the business of corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and Real Estate Finance to developers and under the retail credit vertical it offers loan against securities.

#### 1.2 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified), the Companies Act, 1956 (to the extent applicable) and the Schedule III to the Act and circulars and guidelines issued by the Reserve Bank of India ('RBI'). The financial statements are presented in Indian rupees.

The Company being a Non Banking Financial Company ('NBFC') registered with RBI follows the guidelines issued by the RBI, in respect of income recognition, provisioning for non-performing assets and valuation of investments.

#### 1.3 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.4 Current/non-current classification

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

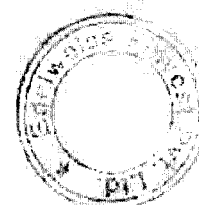
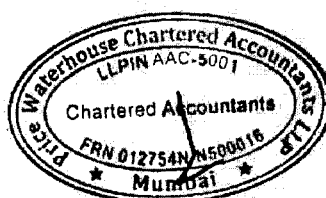
##### Assets

An Asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.4 Current/non-current classification (Continued)

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

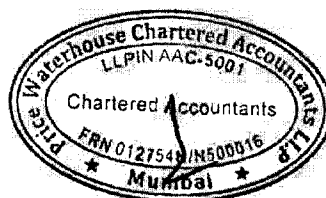
- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

#### 1.5 Revenue recognition

- a. Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, which is accounted on realisation, as per RBI guidelines.
- b. Portion of maturity premium on loans that is agreed with the borrower and receivable on maturity, is accounted upon its agreement at maturity.
- c. Dividend income is recognised when the right to receive payment is established.
- d. Profit/loss on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- e. Realised profit/loss on closed positions of derivate instrument is recognised on final settlement on squaring of the contracts.
- f. Processing and other fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- g. Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, currency interest rate derivative instruments.
  - i) Profit/loss on sale of investments / securities is determined based on the weighted average cost of the investments / securities sold and recognised on trade date.
  - ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.6 Cost of Benchmark linked debentures

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

#### 1.7 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

#### 1.8 Provisioning on receivables from financing business

Provision for non performing assets is made based on management's assessment of the degree of impairment subject to minimum provisioning levels prescribed in the prudential norms for asset classification and provisioning guidelines issued by the RBI for NBFCs.

Provisions against standard assets are made in accordance with the prudential norms laid down by RBI.

#### 1.9 Fixed asset and depreciation/ amortisation

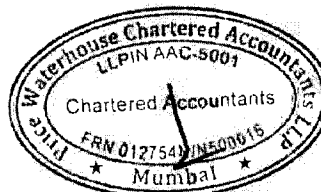
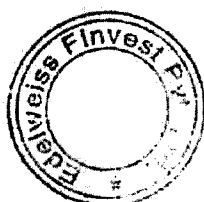
##### Property, Plant and Equipments

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on written down value basis from the date the asset is put to use or ready for its intended use whichever is earlier. In respect of asset 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 estimated useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of asset	Estimated useful life
Building (Flat)	60 Years
Office Equipments	5 Years
Computers - End user devices, such as desktops, laptops, etc.	3 Years



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.10 Impairment of assets

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

#### 1.11 Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

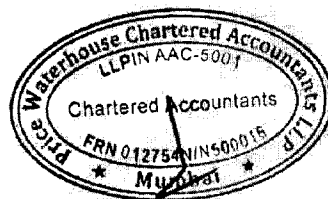
Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual fund is considered as the fair value.

#### 1.12 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade are valued at lower of weighted average cost and market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- c) Debt instruments are valued at lower of cost and fair value. In case of debt instruments for which direct quotes are not available, fair value is the lowest of the quotes as on the valuation date as provided by market intermediaries.

#### 1.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.14 Taxation

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-Tax Act, 1961), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

##### *Current tax*

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

##### *Deferred tax*

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

##### *Minimum Alternative Tax (MAT) Credit*

MAT credit asset is recognised when there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

#### 1.15 Employee benefits

The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

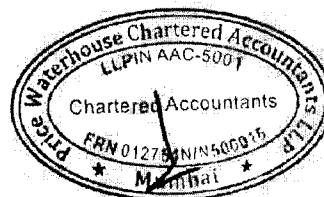
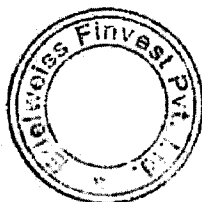
##### *Provident Fund*

The Company contributes to a recognised provident fund 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 benefits 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. This 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 actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.15 Employee benefits (Continued)

##### *Compensated leave 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 to the statement of profit & loss account and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of profit and loss.

##### *Deferred Bonus*

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

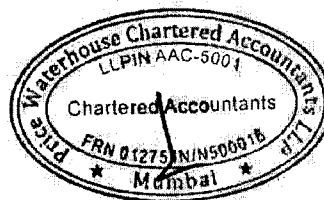
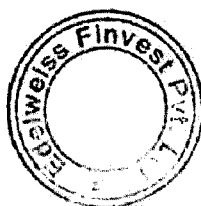
#### 1.16 Operating leases

Lease payment for asset taken on operating lease are recognised as an expense in the statement of profit and loss on a straight- line basis over the lease term.

#### 1.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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 during 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 the weighted average number of equity shares considered for deriving the basic EPS and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.





# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

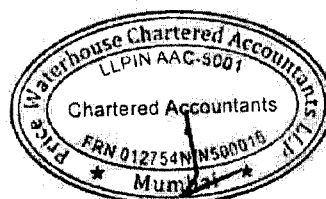
### 1. Significant accounting policies (Continued)

#### 1.18 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

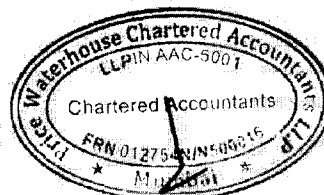
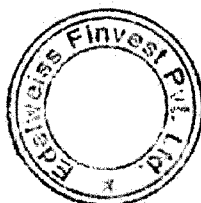


# **Edelweiss Finvest Private Limited**

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

(Currency : Indian rupees)

	As at 31 March 2018		As at 31 March 2017	
<b>2.1 Share capital</b>				
<b>a. Authorised :</b>				
35,000,000 (Previous year: 11,500,000) Equity shares of ₹ 10 each		350,000,000		115,000,000
Nil (Previous year: 23,500,000) Preference shares of ₹ 10 each		-		235,000,000
		<u>350,000,000</u>		<u>350,000,000</u>
<b>b. Issued, Subscribed and Paid up:</b>				
33,325,875 (Previous year: 2,805,998) equity shares of ₹ 10 each, fully paid-up		333,258,750		28,059,980
Nil (Previous year: 800,000) 0.01% Compulsorily convertible non-cumulative preference shares - Series A of ₹ 10 each, fully paid up		-		8,000,000
Nil (Previous year: 11,345,363) 0.01% Compulsorily convertible non-cumulative preference shares - Series B of ₹ 10 each, fully paid up		-		113,453,630
Nil (Previous year: 10,561,539) 0.01% Compulsorily convertible non-cumulative preference shares - Series C of ₹ 10 each, fully paid up		-		105,615,390
		<u>333,258,750</u>		<u>255,129,000</u>
<b>a. Movement in share capital :</b>				
	31 March 2018		31 March 2017	
	No of shares	Amount	No of shares	Amount
<b>i) Equity shares</b>				
Outstanding at the beginning of the year	2,805,998	28,059,980	2,805,998	28,059,980
Shares issued during the year	30,519,877	305,198,770	-	-
Outstanding at the end of the year	<u>33,325,875</u>	<u>333,258,750</u>	<u>2,805,998</u>	<u>28,059,980</u>
<b>ii) 0.01% Compulsorily convertible non-cumulative preference shares - Series A</b>				
Outstanding at the beginning of the year	800,000	8,000,000	800,000	8,000,000
Add: Shares issued during the year	-	-	-	-
Less: Shares converted into Equity shares	333,700	3,337,000	-	-
Less: Shares cancelled on account of demerger (Refer note 2.56)	466,300	4,663,000	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>8,000,000</u>
<b>iii) 0.01% Compulsorily convertible non-cumulative preference shares - Series B</b>				
Outstanding at the beginning of the year	11,345,363	113,453,630	11,345,363	113,453,630
Add: Shares issued during the year	-	-	-	-
Less: Shares converted into Equity shares	11,345,363	113,453,630	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>11,345,363</u>	<u>113,453,630</u>
<b>iv) 0.01% Compulsorily convertible non-cumulative preference shares - Series C</b>				
Outstanding at the beginning of the year	10,561,539	105,615,390	10,561,539	105,615,390
Add: Shares issued during the year	-	-	-	-
Less: Shares converted into Equity shares	10,561,539	105,615,390	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>10,561,539</u>	<u>105,615,390</u>
<b>b. Terms/rights attached to equity shares</b>				
The Company has only one class of shares referred to as equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share.				
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				
<b>c. Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series A (CCPS-A)</b>				
The tenure of CCPS-A was upto 31 December 2017. With the required consent of the CCPS-A holders, the term of issue of the CCPS-A had been changed and accordingly the holders of CCPS-A can convert any or all the CCPS-A held by them into 1 equity share of the Company of ₹10 each at par. All the CCPS-A outstanding as on 31 December 2017 have been converted into equity shares.				
<b>d. Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series B (CCPS-B)</b>				
The tenure of CCPS-B was upto 31 December 2017. During the term of the CCPS-B, the holder can convert any or all the CCPS-B held by them into 1 equity share of the Company of ₹ 10 each at face value. All the CCPS-B outstanding as on 31 December 2017 have been converted into equity shares.				
<b>e. Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series C (CCPS-C)</b>				
The tenure of CCPS-C was upto till 31 March 2018. During the term of the CCPS-C, the holder can convert any or all the CCPS-C held by them into 1 equity share of the Company of ₹ 10 each at face value. All the CCPS-C outstanding as on 31 March 2018 have been converted into equity shares.				



# **Edelweiss Finvest Private Limited**

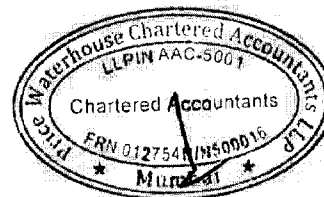
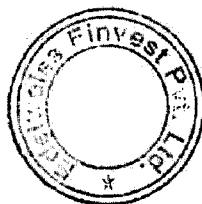
Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018		As at 31 March 2017	
	No of shares	% holding in the class	No of shares	% holding in the class
<b>f Shares held by holding/ultimate holding company and/or their subsidiaries/associates</b>				
Edelweiss Financial Services Limited - Ultimate holding company	8,279,275	24.84	-	-
ECap Equities Limited - Holding company	22,459,720	67.40	1,700,812	60.61
Edelweiss Securities Limited - Fellow subsidiary company	1,259,394	3.78	1,105,186	39.39
Edelweiss Commodities Services Limited - Fellow subsidiary company	1,327,486	3.98	-	-
	<u>33,325,875</u>	<u>100.00</u>	<u>2,805,998</u>	<u>100.00</u>
<b>g Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>	No of shares	% holding in the class	No of shares	% holding in the class
Equity Shares of Rs 10 each fully paid				
ECap Equities Limited	22,459,720	67.40	1,700,812	60.61
Edelweiss Financial Services Limited	8,279,275	24.84	1,105,186	39.39
	<u>30,738,995</u>	<u>92.24</u>	<u>2,805,998</u>	<u>100.00</u>
<b>h Details of Preference shareholders holding more than 5% shares in the company:</b>				
i) 0.01% Compulsorily Convertible Non- cumulative Preference Shares - Series A				
Edelweiss Finance & Investments Limited	-	-	466,300	58.29
Edelweiss Commodities Services Limited	-	-	179,492	22.43
Edelweiss Securities Limited	-	-	154,208	19.28
	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>100.00</u>
ii) 0.01% Compulsorily Convertible Non- cumulative Preference Shares - Series B				
ECap Equities Limited	-	-	11,345,363	100.00
	<u>-</u>	<u>-</u>	<u>11,345,363</u>	<u>100.00</u>
iii) 0.01% Compulsorily Convertible Non- cumulative Preference Shares - Series C				
ECap Equities Limited	-	-	9,413,545	89.13
Edelweiss Commodities Services Limited	-	-	1,147,994	10.87
	<u>-</u>	<u>-</u>	<u>10,561,539</u>	<u>100.00</u>

	As at 31 March 2018	As at 31 March 2017
<b>2.2 Reserves and surplus</b>		
Capital Redemption Reserve	84,340,320	84,340,320
Securities Premium Account	2,461,531,900	2,461,531,900
Add : Additions during the year on account of Equity share issue	1,393,815,946	-
Add : Additions during the year on account of Debenture issue	9,118,334	-
Less: Reduction on account cancellation of Preference Shares acquired due to demerger (Refer note 2.56)	<u>111,912,000</u>	<u>-</u>
	<u>3,752,554,180</u>	<u>2,461,531,900</u>
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India (*)	534,555,978	441,936,840
Add : Additions during the year	<u>266,440,241</u>	<u>92,619,138</u>
	<u>800,996,219</u>	<u>534,555,978</u>
Surplus in statement of profit and loss		
Opening Balance	2,061,408,605	1,690,932,055
Add: Profit on account of demerger (Refer note 2.56)	286,006,643	-
Add: Profit for the year	<u>1,332,201,206</u>	<u>463,095,688</u>
Amount available for appropriation	<u>3,679,616,454</u>	<u>2,154,027,743</u>
Appropriations:		
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	<u>266,440,241</u>	<u>92,619,138</u>
	<u>3,413,176,213</u>	<u>2,061,408,605</u>
	<u>8,051,066,932</u>	<u>5,141,836,803</u>

(\*) Represents reserve created @ 20% of the profit after tax for the year as per the provisions of section 45-IC of the Reserve Bank of India Act, 1934

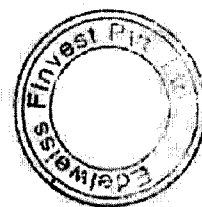
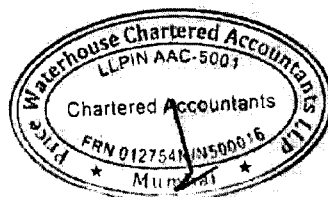


## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.3 Long-term borrowings</b>		
<u><b>Secured</b></u>		
Non-convertible redeemable debentures (refer note 2.40 & 2.41) (Secured by charge on immovable property and floating charge on loans and advances, stock-in-trade and corporate guarantee from holding company)	7,634,955,867	4,232,497,860
Term loans from bank (refer note 2.42) (First Pari Passu charge on the current assets of the Company which includes receivables current and future, stock-in-trade and cash and cash equivalents with Letter of Comfort)	325,000,030	-
<u><b>Unsecured</b></u>		
Non-convertible redeemable debentures (refer note 2.41)	901,368,288	508,500,000
Subordinated Debentures (refer note 2.41)	150,000,000	-
	<b>9,011,324,185</b>	<b>4,740,997,860</b>
<b>2.4 Other long term liabilities</b>		
Interest accrued but not due on borrowings	2,347,724,770	74,830,293
	<b>2,347,724,770</b>	<b>74,830,293</b>
<b>2.5 Long-term provisions</b>		
Provision for employee benefits		
Gratuity (Refer note 2.31)	1,806,801	730,978
Compensated leave absences	210,423	107,000
Others		
Provision for standard assets	20,871,117	2,330,300
Provision for non performing assets	251,446,000	-
	<b>274,334,341</b>	<b>3,168,278</b>

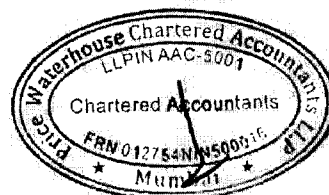
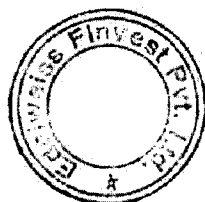


# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.6 Short-term borrowings</b>		
<u>Unsecured</u>		
Loans and advances from related parties (Refer note 2.29) (Repayable on demand, carry interest at 9% p.a.)	7,761,957,481	-
Inter Corporate loan (Repayable on demand, carry interest at 5.5% p.a.)	3,900,000	-
	<b>7,765,857,481</b>	<b>-</b>
<b>2.7 Trade payables</b>		
Payable to:		
-related parties	299,874,464	22,236,798
-others	45,685,916	30,874,794
(Includes sundry creditors and provision for expenses)		
	<b>345,560,380</b>	<b>53,111,592</b>
<b>2.8 Other Current Liabilities</b>		
Current maturities of Long Term Debt		
Term loan	100,000,000	-
Non-convertible debentures (refer note 2.40 & 2.41)	6,134,235,598	1,567,000,000
Compulsorily convertible debentures (refer note 2.29)	-	268,873,000
Interest accrued but not due on borrowings	859,875,556	17,078,157
Income received in advance	16,673,039	5,212,215
Premium payable on exchange traded options (including MTM)	10,561,268	5,627,378
Other Payables		
Accrued salaries and benefits	16,542,227	1,739,440
TDS, Goods and Service tax and other taxes payable	18,167,708	4,568,560
Book overdraft	-	6,909,021
Others	480,897	480,685
(There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at year end)		
	<b>7,156,536,293</b>	<b>1,877,488,456</b>
<b>2.9 Short-term provisions</b>		
Provision for employee benefits		
Gratuity (Refer note 2.31)	300,000	120,000
Compensated leave absences	40,000	19,000
Others		
Provision for standard assets	86,686,515	24,637,408
Provision for non performing assets	232,104,000	-
Provision for taxation (net of advance tax ₹. 672,507,917; Previous year ₹. 577,278,213)	252,976,732	42,592,423
	<b>572,107,247</b>	<b>67,368,831</b>



## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

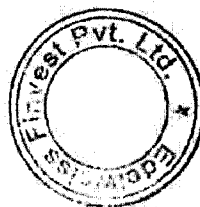
(Currency : Indian rupees)

#### 2.10 Fixed assets

Description of assets	As at 1 April 2017	Gross Block		As at 31 March 2018	As at 1 April 2017	Depreciation		As at 31 March 2018	Net Block As at 31 March 2018
		Additions during the year	Deductions during the year			Charge for the year	Deductions during the year		
Property, Plant and Equipment									
Building (Flat)*	1,359,412	-	-	1,359,412	260,201	54,960	-	315,161	1,044,251
Computer	41,765	142,161	-	183,926	41,765	53,275	-	95,040	88,886
Office equipment	25,450	-	25,450	-	21,290	1,002	22,292	-	-
Total	1,426,627	142,161	25,450	1,543,338	323,256	109,237	22,292	410,201	1,133,137

\* Mortgaged for Non convertible debentures

There are no adjustments on account of borrowing costs.



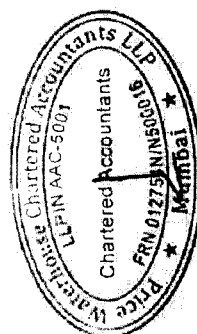
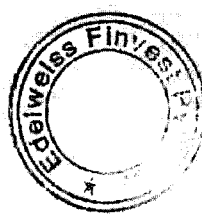
## Notes to the financial statements (continued)

### 2.10 Fixed assets (Previous year)

Description of assets	Gross Block			Depreciation and amortisation		Net Block As at 31 March 2017			
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	Charge for the year during the year		As at 31 March 2017		
Property, Plant and Equipment									
Building (Flat)*	1,359,412	-	-	1,359,412	202,348	57,853	-	260,201	1,099,211
Computer	41,765	-	-	41,765	41,494	271	-	41,765	-
Office equipment	25,450	-	-	25,450	17,626	3,664	-	21,290	4,160
Total	1,426,627	-	-	1,426,627	261,468	61,788	-	323,256	1,103,371

\* Mortgaged for Non convertible debentures

**There are no adjustments on account of borrowing costs.**



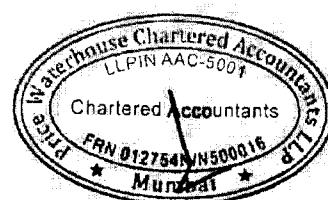
# **Edelweiss Finvest Private Limited**

Notes to the financial statements (continued)

(Currency: Indian rupees)

## **2.11 Non-current investments**

	As at 31 March 2018 (Audited)			As at 31 March 2017 (Audited)		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>I. Others (quoted)</b>						
(A) In equity instruments - Others (fully paid up)						
Gail (India) Limited	-	-	-	10	407,333	164,035,629
						164,035,629
<b>II. Others (unquoted)</b>						
(A) In equity instruments of fellow subsidiary companies (fully paid up)						
Edelweiss Retail Finance Limited	10	3,000,000	264,000,000	10	3,000,000	264,000,000
Edelweiss Asset Reconstruction Company Limited	10	15,254,350	326,142,279	10	15,254,550	326,142,279
			590,142,279			590,142,279
(B) In equity instruments of other companies (fully paid up)						
Tamilnad Mercantile Bank Limited	10	36,072	1,741,248	-	-	-
			1,741,248			-
(C) In units of fund of associate company						
Edelweiss Private Equity Tech fund	100,000	568.94	56,894,400	100,000	291.60	29,160,000
Edelweiss Value and Growth Fund	100,000	1,592.65	159,265,186	-	-	-
			216,159,586			29,160,000
(D) In securitisation trust securities						
EARC Trust SC 6 - Series I	1,000	218,500	117,544,235	1,000	218,500	117,544,235
EARC Trust SC 43 - Series I	1,000	54,000	54,000,000	1,000	54,000	54,000,000
EARC Trust SC 55 - Series I	1,000	46,800	46,800,000	1,000	46,800	46,800,000
EARC Trust SC 57 Series II	-	-	-	1,000	72,250	59,600,000
EARC Trust SC 109 - Series I	1,000	524,900	487,282,250	1,000	633,500	520,152,060
EARC Trust SC 112 - Series I	1,000	296,000	290,851,550	1,000	340,000	297,275,000
EARC Trust SC 177 - Series I	1,000	124,750	111,640,100	1,000	124,750	119,064,700
EARC Trust SC 229 - Series I	1,000	255,000	255,000,000	1,000	255,000	255,000,000
EARC Trust SC 245 - Series I	1,000	540,940	313,279,756	1,000	534,650	534,650,000
EARC Trust SC 262 - Series I	1,000	374,000	179,121,675	-	-	-
EARC Trust SC 297 - Series I	1,000	895,914	891,770,000	-	-	-
EARC Trust SC 327 - Series I	1,000	642,855	642,855,000	-	-	-
Edelweiss ARF-I Trust Scheme-1	1,000	56,728	46,990,360	-	-	-
Edelweiss ARF-I Trust Scheme-2	1,000	31,324	9,128,699	-	-	-
Edelweiss ARF-I Trust Scheme-3	1,000	43,899	43,896	-	-	-
Edelweiss ARF-I Trust Scheme-4	1,000	32,679	32,679	-	-	-
Edelweiss ARF-I Trust Scheme-5	1,000	35,370	35,370	-	-	-
EARC SAF -3 Trust - Series I	1,000	19,500	15,888,982	-	-	-
			3,462,264,552			2,004,085,995
Less : Provision for diminution in value of investments			57,829,765			-
			3,404,434,787			2,004,085,995
(E) In Units of Venture Fund						
KAE Capital Fund (India)	100,000	50.00	26,666,666	-	-	-
KAE Capital Fund II (India)	100,000	433.33	43,333,334	-	-	-
			70,000,000			-
(F) In other Instruments -Warrants						
Kompass Capital Advisors Private Limited	-	-	-	100	50,000	5,000,000
Bharti Shipyard Limited (Rs 5.5 paid up)	10	2,647,313	14,560,222	-	-	-
AT InvoFin India Private Limited (Rs 2.50 paid up)	10	320,000	20,000,000	-	-	-
			34,560,222			5,000,000
Less : Prov. for diminution in value of investments			20,000,000			-
			14,560,222			5,000,000
(G) In preference shares of companies (fully paid up)						
Zero coupon Series D non-cumulative compulsorily convertible preference shares of Bright Lifecare Private Limited	7,664	5,219	40,000,950	-	-	-
			40,000,950			-
			4,337,039,072			2,792,423,903
Aggregate amount of unquoted investment						
- At carrying value			4,337,039,072			2,628,388,274
Aggregate amount of quoted investment						
- At carrying value			-			164,035,629
- At market value			-			133,544,174
Aggregate amount of provision for diminution			77,829,765			-





# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency : Indian rupees)

### 2.12 Deferred taxes (net)

#### Deferred tax assets

Disallowances under section 43B of the Income Tax Act, 1961  
Provision for standard assets and non-performing assets  
On long term capital loss  
Provision for doubtful debts  
Unrealised loss on derivative transactions

As at  
31 March 2018

As at  
31 March 2017

815,835	338,132
191,691,604	9,333,524
17,388,936	-
20,014,882	-
1,901,422	4,935,997
<u>231,812,679</u>	<u>14,607,653</u>

#### Deferred tax liabilities

Unrealised gain on derivative transactions  
Difference between book and tax depreciation  
Others

679,436	9,891,871
73,778	83,332
-	8,499,627
<u>753,214</u>	<u>18,474,830</u>

#### Deferred tax asset (net)

<u>231,059,465</u>	<u>(3,867,177)</u>
--------------------	--------------------

### 2.13 Long-term loans and advances

#### Secured

Receivable from financing business  
- considered good  
- considered non performing asset

4,953,579,495	482,596,000
251,446,000	-
<u>5,205,025,495</u>	<u>482,596,000</u>

#### Unsecured

Receivable from financing business  
- considered good

264,199,675	183,204,000
<u>264,199,675</u>	<u>183,204,000</u>

#### Other loans and advances

Advance income taxes (net of provision for taxation ₹ 357,113,240;  
(Previous year ₹ 251,915,839)

146,818,591	106,046,301
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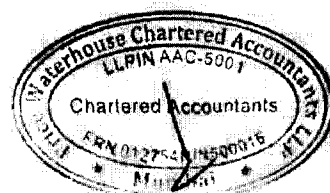
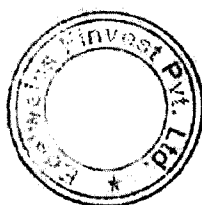
<u>5,616,043,761</u>	<u>771,846,301</u>
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### 2.14 Other non-current assets

Interest accrued but not due on loans given

206,767,206	96,005,916
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<u>206,767,206</u>	<u>96,005,916</u>
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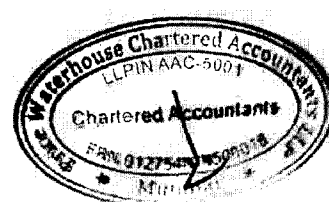


# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018			As at 31 March 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount
<b>2.15 Current investments - at lower of cost and fair value</b>						
<i>Investments in mutual funds - unquoted</i>						
Reliance Money Manager Fund - Direct - Growth	-	-	-	1,000	34,927	79,000,000
			<u>-</u>			<u>79,000,000</u>
<b>Aggregate value of current investments - unquoted</b>						
At carrying value			-			79,000,000
At market value			-			79,000,000
<b>2.16 Stock-in-trade</b>						
<b>(I) Equity shares (quoted)</b>	Face value	Quantity	Amount	Face value	Quantity	Amount
Hindustan Petroleum Corporation Limited	-	-	-	-	-	-
ICICI Securities Limited	10	192,304	99,998,080	10	1,260,000	662,319,000
<b>(II) Debentures and bonds (quoted)</b>						
<b>In follow subsidiary</b>						
10.60% ECL Finance Limited 11.03.2020 (Yearly)	1,000	315	307,761	-	-	-
11.85% ECL Finance Limited 28.01.2019 (Monthly Cumulative)	1,000	53,305	55,431,870	-	-	-
10.60% ECL Finance Limited 11.03.2020 (Yearly Cumulative)	1,000	7,471	7,553,181	-	-	-
<b>Others</b>						
<b>Credit Substitutes (quoted)</b>						
15.00% Pantaloon Industries Limited 31.03.2017	-	-	-	10,000,000	35	350,000,000
5.00% New Media Broadcasting Private Limited 18.02.2021	1,000,000	800	800,000,000	1,000,000	600	600,000,000
10.00% Abellon Energy Limited 02.06.2020	1,000,000	214	214,000,000	1,000,000	214	214,000,000
15.00% Future Corporate Resources Limited 31.03.2017	-	-	-	10,000,000	63	650,000,000
14.00% Parinee Realty Private Limited 15.01.2021	500,000	1,500	750,000,000	500,000	1,300	650,000,000
14.00% Empee Distilleries Limited 26.04.2021 Tranche 1	950,000	73	69,350,000	1,000,000	92	92,000,000
14.00% Empee Distilleries Limited 26.04.2021 Tranche 2	950,000	19	18,050,000	-	-	-
14.00% Shree Sukhakarta Developers Private Limited 30.06.2020	1,000,000	550	550,000,000	1,000,000	550	550,000,000
15.00% Ecstasy Realty Private Limited 28.03.2023	10,000,000	110	1,100,000,000	-	-	-
16.50% Kohinoor CTNL Infrastructure Co. Pvt. Ltd. 30.09.2020	1,000,000	552	552,000,000	-	-	-
14.00% Aliens Developers Private Limited 31.03.2022	1,000,000	138	138,000,000	-	-	-
<b>(III) Debentures and bonds (unquoted)</b>						
<b>Credit Substitutes</b>						
18.50% Manyata Developers Private Limited 30.06.2020	629,585	750	472,189,028	1,000,000	300	300,000,000
13.00% Parsvnath Developers Limited 15.04.2019	-	-	-	500,000	1,250	625,000,000
16.85% Rohan Developers Private Limited 31.03.2020	1,000,000	700	700,000,000	1,000,000	700	700,000,000
13.00% Aniline Construction Company Private Limited 30.09.2022	100,000	7,000	700,000,000	100,000	7,000	700,000,000
12.00% Dome Bell Electronics India Private Limited 29.03.2019	-	-	-	1,000,000	493	488,964,194
12.00% Gonibedu Coffee Estates Private Limited 29.05.2019	9,473,684	75	710,526,316	-	-	-
5.00% Dr. Agarwal's Health Care Limited 22.12.2022	62,500	4,638	289,875,000	-	-	-
15.00% Alok Knit Exports Private Limited 11.05.2020	7,236,200	80	578,896,000	-	-	-
17.00% AHA Holdings Private Limited 30.08.2022	1,000,000	500	500,000,000	-	-	-
12.25% Sprit Infrapower & Multiventures Pvt. Ltd. 21.09.2018	10,000,000	42	420,000,000	-	-	-
Reset Rate UM Autocomp Private Limited 29.02.2024	811,899	800	649,519,200	-	-	-
Reset Rate OPJ Trading Private Limited 03.09.2020	1,000,000	800	800,000,000	-	-	-
12.00% Azeem Infinite Dwelling India Pvt. Ltd. 21.08.2022 -Series 2	1,000,000	800	800,000,000	-	-	-
14.50% Renaissance Indus Infra Private Limited 21.09.2023	1,000,000	95	95,000,000	-	-	-
16.50% Easy Home Solutions Private Limited 11.01.2022	500,000	1,600	800,000,000	-	-	-
15.60% Gayatri Hotels and Theatres Private Limited 12.10.2021	1,000,000	800	800,000,000	-	-	-
17.00% Modella Textiles Industries Limited 30.11.2022	1,000,000	1,000	1,000,000,000	-	-	-
9.50% Aspen Infrastructures Limited 10.03.2019	10,000,000	85	850,000,000	-	-	-
10.00% Nirmal Lifestyle (Mulund) Private Limited 30.03.2023	1,000,000	805	805,000,000	-	-	-
14.50% Shree Naman Developers Private Limited 23.03.2021	500,000	2,100	1,050,000,000	-	-	-
12.00% Mohan Breweries and Distilleries Limited 30.10.2021	10,000,000	100	1,000,000,000	-	-	-
13.65% Future Capital Investment Private Limited 19.03.2021	1,000,000	720	720,000,000	-	-	-
13.65% Suhani Trading and Investment Consultants Pvt. Ltd.	1,000,000	1,100	1,100,000,000	-	-	-
17.92% Gmr Enterprises Private Limited 20.03.2022	1,000,000	750	750,000,000	-	-	-
14.00% Sai Ashray Developers Private Limited 28.03.2024	1,000,000	787	787,000,000	-	-	-
<b>(IV) Mutual funds (unquoted)</b>						
JM Equity Fund - Monthly Dividend Option -Payout	20.95	83,517,071	998,738,891	-	-	-
BOI Axa Treasury Advantage Fund - Direct Plan - Growth	2,125	235,293	500,000,000	-	-	-
			<u>22,231,435,327</u>			<u>6,582,283,194</u>
<b>Aggregate value of stock-in-trade in - quoted</b>						
At Carrying value			4,354,690,891			662,319,000
At Market value			4,354,690,891			677,115,150
<b>Aggregate of value stock-in-trade in - unquoted</b>						
At Carrying value			17,876,744,436			5,919,964,194
At Market value			17,876,744,436			5,919,964,194



## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

(Currency : Indian rupees)

#### 2.17 Trade receivables

Debtors outstanding for a period exceeding six months

- Unsecured, considered doubtful

Provision for doubtful debts

As at  
31 March 2018

As at  
31 March 2017

57,425,235

57,425,235

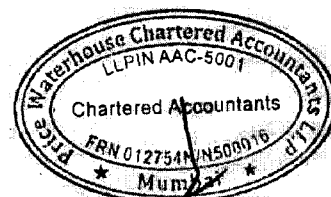
#### Other debts

- Unsecured, considered good

23,319,046

23,319,046

23,319,046

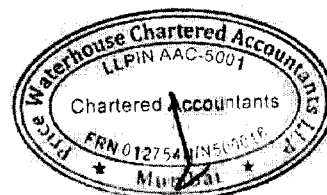
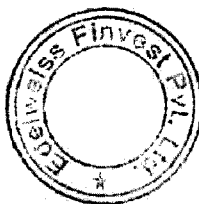


# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.18 Cash and bank balances</b>		
<b>Cash and Cash equivalents</b>		
Cash in hand	14,232	5,280
Balances with Banks		
- in current accounts	313,731,855	20,181,071
	<u>313,746,087</u>	<u>20,186,351</u>
<b>Other bank balances</b>		
- Short term deposits with banks (refer note 2.32)	50,000,000	50,000,000
(Other bank deposits with maturity less than 12 months)		
	<u>363,746,087</u>	<u>70,186,351</u>
<b>2.19 Short-term loans and advances</b>		
<u><b>Secured</b></u>		
Receivable from financing business		
- considered good	789,503,928	701,300,000
- considered non performing asset	232,104,000	-
	<u>1,021,607,928</u>	<u>701,300,000</u>
<u><b>Unsecured - Considered good</b></u>		
Loans and advances to related parties (Refer note 2.29)	-	415,269,500
Receivable from financing business	308,379,688	2,725,731
Other loans and advances		
Prepaid expenses	496,623	28,819
Loans and advances to employees	8,000	-
Vendor Advances	2,699,847	1,040,271
Input tax credit	55,691,370	7,969,427
	<u>1,388,883,456</u>	<u>1,128,333,748</u>
<b>2.20 Other Current Assets</b>		
Accrued interest on fixed deposits	8,816	8,816
Accrued interest on loans given	6,336,911	14,884,944
Accrued interest on debt instruments	149,158,064	-
Interest accrued but not due on loans given	303,864,940	48,632,591
Interest accrued but not due on debt instruments	818,593,930	334,448,160
Mark to market on benchmark linked debentures	75,229,081	-
Premium paid on outstanding exchange traded options	29,922	-
Margin placed with broker	105,122,158	282,179,830
Other receivables	-	16,461,165
	<u>1,458,343,822</u>	<u>696,615,506</u>

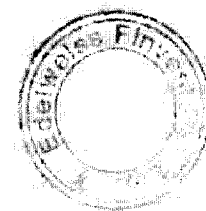
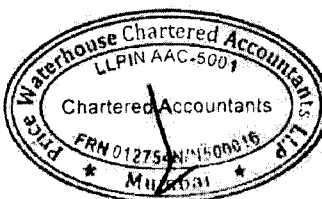


## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.21 Fee and commission income</b>		
Loan processing and other fees	87,465,526	-
	<u>87,465,526</u>	<u>-</u>
<b>2.22 Income from treasury operations and investments</b>		
Profit / (loss) on trading of securities (net) (Refer note 2.43)	(486,427,963)	(13,514,130)
Profit on trading in Equity Derivative Instruments (net)	(49,649,824)	18,352,216
Cost of benchmark linked debenture	(690,651,554)	(69,625,017)
Profit / (loss) on sale of current investments (net)	2,922,266	(12,313,436)
Profit on sale of non current investments	513,275,158	-
Dividend on current investments	762,148,735	71,148,000
	<u>51,616,818</u>	<u>(5,952,367)</u>
<b>2.23 Interest income</b>		
On loans and credit substitutes	3,174,554,879	1,100,913,915
On fixed deposits	4,054,434	4,135,009
On margin with brokers	3,456,607	413,313
On investment in security receipts	5,956,800	-
On others	253,695	1,171
	<u>3,188,276,415</u>	<u>1,105,463,408</u>
<b>2.24 Other income</b>		
Miscellaneous income	-	20,225
	<u>-</u>	<u>20,225</u>



# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

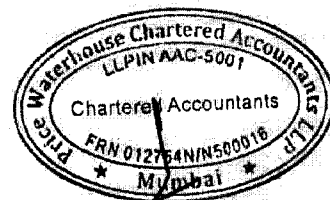
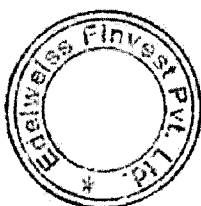
(Currency : Indian rupees)

### 2.25 Employee benefit expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	33,251,619	5,144,414
Contribution to provident and other funds (Refer note 2.31)	869,248	193,474
Staff welfare expenses	327,658	80,020
	<u>34,448,525</u>	<u>5,417,908</u>

### 2.26 Finance costs

Interest on debentures	229,585,410	45,709,166
Interest on Inter-corporate loan	214,500	-
Interest on subordinated debentures	16,635,616	-
Interest on term loan	31,226,179	-
Interest on loan from ultimate holding company (Refer note 2.29)	-	318,722
Interest on loan from fellow subsidiaries (Refer note 2.29)	161,103,567	266,167,021
Interest on late payment of taxes	9,244,693	5,028,021
Other borrowing cost	115,063,534	46,708,712
	<u>563,073,499</u>	<u>363,931,642</u>



## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

(Currency : Indian rupees)

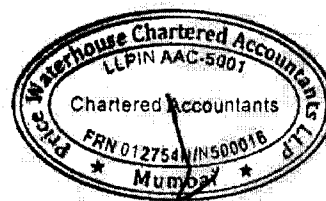
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.27 Other expenses</b>		
Advertisement and business promotion	266,316	4,807
Auditors' remuneration (refer note below)	1,786,289	1,067,110
Bad- debts and advances written off	290,800,000	-
Commission and brokerage	9,955,451	-
Communication	727,317	111,687
Computer software	490,094	-
Clearing & custodian charges	155,512	64,019
Diminution in value of non-current investments	57,829,765	-
Directors' sitting fees	260,000	150,000
Electricity charges (Refer note 2.58)	644,690	61,697
Housekeeping charges	38,172	-
Insurance	24,044	674
Legal and professional fees	119,595,540	25,052,074
Loss on sale/ write-off of fixed assets (net)	3,393	-
Membership and Subscription	96,150	13,326
Office expenses	64,378	-
Printing and stationery	97,870	18,419
Provision for standard assets	67,837,979	12,092,839
Provision for non performing asset	483,550,000	-
Provision for doubtful debts	22,180	-
Rates and taxes	5,967,935	4,156,268
Rating Support Fees (Refer note 2.29)	213,737	2,900,000
Rent (Refer note 2.29)	1,365,092	320,749
Repairs and maintenance - others	468,497	5,000
ROC Expenses	53,375	-
Seminar & Conference	15,637	-
Service tax expenses	(24,540,809)	2,065,618
Stamp duty	15,742,369	1,602,141
Stock exchange expenses	2,478	-
Travelling and conveyance	480,632	89,790
Miscellaneous expenses	869,145	38,150

<b>1,034,883,228</b>	<b>49,814,368</b>
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#### Auditors' Remuneration:

As Auditor	1,260,178	996,180
Towards Reimbursement of Expenses	526,111	70,930

<b>1,786,289</b>	<b>1,067,110</b>
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# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.28 Segment reporting

#### Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and Retail financing

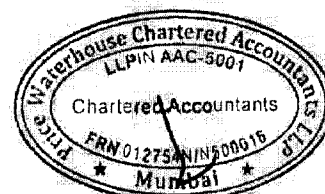
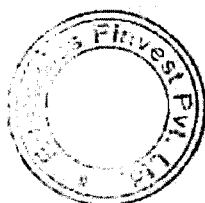
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

#### Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Accounting Standard-17 on Segment Reporting

Particulars	As at/ For the year ended 31 March 2018	As at/ For the year ended 31 March 2017
<b>I Segment Revenue</b>		
a) Capital based business	801,929,429	63,672,650
b) Financing business	2,525,429,330	1,035,858,616
c) Unallocated	-	-
<b>Total Income</b>	<b>3,327,358,759</b>	<b>1,099,531,266</b>
<b>II Segment Results</b>		
a) Capital based business	605,290,056	62,537,572
b) Financing business	1,098,798,907	622,796,009
c) Unallocated	(9,244,693)	(5,028,021)
<b>Profit before taxation</b>	<b>1,694,844,270</b>	<b>680,305,560</b>
Less : Provision for taxation	362,643,064	217,209,872
<b>Profit after taxation</b>	<b>1,332,201,206</b>	<b>463,095,688</b>
<b>III Segment Assets</b>		
a) Capital based business	5,999,290,153	3,533,742,903
b) Financing business	29,480,602,168	8,578,009,087
c) Unallocated	377,878,057	106,046,300
<b>Total</b>	<b>35,857,770,378</b>	<b>12,217,798,290</b>
<b>IV Segment Liabilities</b>		
a) Capital based business	4,925,446,416	715,318
b) Financing business	22,295,021,549	6,773,657,569
c) Unallocated	252,976,733	46,459,600
<b>Total</b>	<b>27,473,444,698</b>	<b>6,820,832,487</b>
<b>V Capital expenditure</b>		
a) Capital based business	7,108	-
b) Financing business	127,945	-
c) Unallocated	7,108	-
<b>Total</b>	<b>142,161</b>	<b>-</b>
<b>VI Depreciation and amortisation</b>		
a) Capital based business	20,484	-
b) Financing business	88,753	61,788
c) Unallocated	-	-
<b>Total</b>	<b>109,237</b>	<b>61,788</b>
<b>VII Significant non-cash expenses other than depreciation and amortisation</b>		
a) Capital based business	58,085,737	18,961
b) Financing business	843,297,067	12,044,852
c) Unallocated	-	-
<b>Total</b>	<b>901,382,804</b>	<b>12,063,813</b>





# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

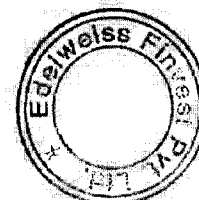
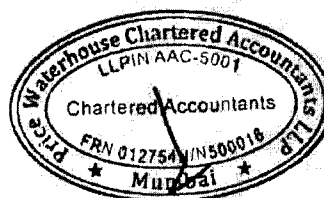
## 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure"

### i. List of related parties and relationship:

Names of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate Holding company)
Holding Company	ECap Equities Limited
Enterprises which exercise significant influence over the Company	Edelweiss Securities Limited
Fellow subsidiaries with whom the transactions have taken place	Edelweiss Asset Reconstruction Company Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Global Wealth Management Limited Edelweiss Finance & Investments Limited Edelweiss Commodities Services Limited Burlington Business Solutions Limited Edelweiss Custodial Services Limited Edelweiss Business Services Limited Edelweiss Retail Finance Limited Eternity Business Centre Limited Edelweiss Business Services Limited Auris Corporate Centre Limited Edelweiss Securities Limited Edelweiss Broking Limited Edel Commodities Limited EFSL Trading Limited ECL Finance Limited EW Clover Scheme I
Associates	Edelweiss Private Equity Tech fund Edelweiss Value and Growth Fund
Key Management Personnel (KMP) (with whom transactions have taken place)	Bhavin N Mehta

### ii Transactions with related parties:

Sr. No.	Nature of Transaction	Related Party Name	2017-18	2016-17
<b>(I) Capital account transactions</b>				
1	Investments in equity shares of	Edelweiss Retail Finance Limited	-	264,000,000
		Edelweiss Asset Reconstruction Company Limited	-	326,142,279
2	Investments in units of	Edelweiss Private Equity Tech fund	27,734,400	29,160,000
		Edelweiss Value and Growth Fund	159,265,186	-
3	Purchase of investment from	Edelweiss Finance & Investments Limited	-	181,605,000
4	Sale of investment to	ECap Equities Limited	-	181,605,000
5	Conversion of Compulsorily convertible non-cumulative preference shares by	Edelweiss Commodities Services Limited	13,274,860	-
		Edelweiss Securities Limited	1,542,080	-
		ECap Equities Limited	207,589,080	-
6	Compulsorily Convertible Debentures redeemed to	ECap Equities Limited	268,873,000	-



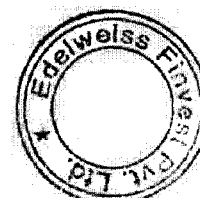
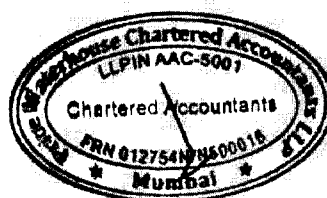
# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" (Continued)

(II) Current account transactions			
1	Short term loans taken from (Refer note 1)	Edelweiss Commodities Services Limited	25,454,759,000 24,865,494,777
2	Short term loans repaid to (Refer note 1)	Edelweiss Financial Services Limited	- 13,400,000
		Edelweiss Commodities Services Limited	17,692,801,519 24,866,640,735
3	Short term loans given to (Refer note 1)	ECL Finance Limited	- 60,342,429
		Edelweiss Commodities Services Limited	3,743,027,000 2,840,400,000
		Edelcap Securities Limited	924,180,000 529,788,000
		Edelweiss Finance & Investments Limited	648,843,546 -
		EW Clover Scheme I	- 490,000,000
		Edel Commodities Limited	- 1,024,400,000
4	Short term loans given repaid by (Refer note 1)	Edelweiss Commodities Services Limited	4,147,309,000 2,436,118,500
		Edelcap Securities Limited	930,768,000 740,000,000
		ECL Finance Limited	- 208,042,429
		Edelweiss Finance & Investments Limited	648,843,546 -
		EW Clover Scheme I	- 490,000,000
		Edel Commodities Limited	4,400,000 1,020,000,000
5	Interest expense on loans taken from	Edelweiss Financial Services Limited	- 318,722
		Edelweiss Commodities Services Limited	161,103,567 266,167,021
6	Interest expense on debentures	Ecap Equities Limited	38,684,840 45,708,409
7	Interest income on short term loan from	Edelcap Securities Limited	91,183,071 48,364,959
		Edelweiss Commodities Services Limited	171,201,704 38,570,620
		ECL Finance Limited	- 6,992,013
		Edelweiss Finance & Investments Limited	34,161,914 -
		EW Clover Scheme I	177,534 -
		Edel Commodities Limited	377,074 8,460,030
8	Interest income on margin from	Edelweiss Securities Limited	16,109 52,533
		Edelweiss Custodial Services Limited	3,120,973 360,780
9	Legal and professional fees paid to	Edelweiss Business Services Limited	19,157,044 -
		ECL Finance Limited	45,290,626 -
		Edelweiss Alternative Asset Advisors Limited	38,703,000 -
		Edelweiss Asset Reconstruction Company Limited	8,171,885 -
10	Margin placed with broker	Edelweiss Custodial Services Limited	11,066,003 335,251,545
		Edelweiss Securities Limited	352,978,569 52,309,489
11	Margin withdrawn from broker	Edelweiss Custodial Services Limited	277,607,798 53,324,681
		Edelcap Securities Limited	367,852,450 52,056,525
12	Reimbursements paid to	Edelweiss Financial Services Limited	110,516 8,907,111
		Edelweiss Business Services Limited	- 4,803,710
		Edelweiss Commodities Services Limited	448,179 920,814
		ECL Finance Limited	61,432 22,110,366
		Edelweiss Broking Limited	- 112,115
		Edelweiss Securities Limited	1,852 -
		EFSL Trading Limited	12,292 -
		Eternity Business Centre Limited	9,654 -
		Ecap Equities Limited	10,961 -
13	Rent paid to	Edelweiss Commodities Services Limited	961,783 238,087
		Edelweiss Broking Limited	101,986 82,662
		Ecap Equities Limited	149,210 -
		ECL Finance Limited	109,984 -
		Burlington Business Solutions Limited	28,828 -
		Eternity Business Centre Limited	11,689 -
		Auris Corporate Centre Limited	1,612 -
14	Rating Support fees paid to	Edelweiss Financial Services Limited	213,737 2,900,000



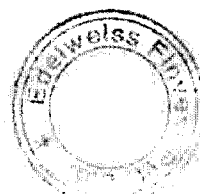
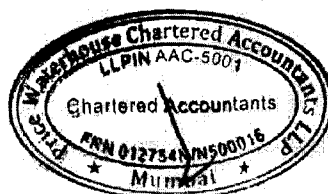
# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" (Continued)

<b>(II) Current account transactions (continued)</b>			
15 Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	79,784,000	-
16 Commission and Sub-brokerage paid to	Edelweiss Securities Limited	1,121,785	251,513
	Edelweiss Global Wealth Management Limited	9,909,872	-
17 Clearing charges paid to	Edelweiss Securities Limited	-	10,000
	Edelweiss Custodial Services Limited	110,000	20,000
18 Remuneration to Key Management Personnel (Refer note 2)	Bhavin N Mehta	1,762,768	1,181,688
19 Purchase of securities receipts from	ECL Finance Limited	-	2,004,085,995
<b>(II) Secondary market transactions</b>			
1 Sale of securities (Stock in trade) to	ECL Finance Limited	641,308,987	414,408,219
	Edelweiss Finance & Investments Limited	668,806,904	-
	Edelweiss Commodities Services Limited	83,819,602	-
2 Purchase of securities (Stock in trade) from	ECL Finance Limited	245,166,438	689,280,822
	Ecap Equities Limited	1,012,268,493	-
	Edelweiss Finance & Investments Limited	480,147,500	-
	Edelweiss Commodities Services Limited	2,501,530,672	1,276,758,698
<b>(III) Balances with related parties</b>			
1 Investments in equity shares	Edelweiss Retail Finance Limited	264,000,000	264,000,000
	Edelweiss Asset Reconstruction Company Limited	326,142,279	326,142,279
2 Investments in units of	Edelweiss Private Equity Tech fund	56,894,400	29,160,000
	Edelweiss Value and Growth Fund	159,265,186	-
3 Compulsorily Convertible Debentures	Ecap Equities Limited	-	268,873,000
4 Debenture and bonds (Stock in trade) of	ECL Finance Limited	63,292,811	-
5 Non-convertible redeemable debentures	Ecap Equities Limited	3,302,637,945	-
	Edelweiss Commodities Services Limited	55,000,000	-
6 Short term loans taken from	Edelweiss Commodities Services Limited	7,761,957,481	-
7 Short term loans given to	Edelcap Securities Limited	-	6,588,000
	Edelweiss Commodities Services Limited	-	404,281,500
	Edel Commodities Limited	-	4,400,000
8 Trade Payables to	Edelweiss Financial Services Limited	90,895,755	-
	Edelweiss Business Services Limited	8,587,188	130,116
	Edelweiss Securities Limited	94,130,307	-
	ECL Finance Limited	48,917,558	22,106,683
	Ecap Equities Limited	173,861	-
	Edelweiss Alternative Asset Advisors Limited	44,092,349	-
	Edelweiss Global Wealth Management Limited	4,051,999	-
	Edelweiss Finance & Investments Limited	199,811	-
	Edelweiss Asset Reconstruction Company Limited	8,825,636	-
9 Other receivables from	ECL Finance Limited	8,000	-
	Edelweiss Securities Limited	944,000	16,348,762
	Edelweiss Custodial Services Limited	779,498	-
	Edelweiss Commodities Services Limited	35,000	-
10 Interest accrued but not due on debentures and bonds of	ECL Finance Limited	34,494,615	-
11 Interest accrued but not due on borrowings	Ecap Equities Limited	-	22,791,590
12 Margin placed with broker	Edelweiss Custodial Services Limited	59,397,471	281,926,864
	Edelweiss Securities Limited	1,329,072	252,965
13 Corporate Guarantee taken from	Edelweiss Financial Services Limited	8,492,500,000	6,223,200,000



## Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" (Continued)

#### Note

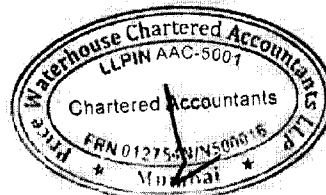
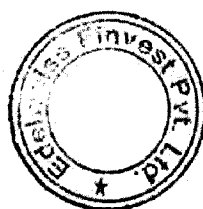
- 1 The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.
- 2 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.
- 3 Previous year's figures have been recast/restated where necessary.
- 4 Loan given to fellow subsidiaries are for general corporate business.
- 5 Remuneration to KMP's shall be within the limit as prescribed by the Companies act.
- 6 The above list contain name of only those related parties with whom the Company has undertaken transactions during the year ended 31 March 2018.

### 2.30 Earnings per share

In accordance with Accounting Standard 20 on earnings per shares as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

Particulars	Year ended	Year ended
	31-Mar-18	31-Mar-17
a) Shareholders earnings (as per statement of profit and loss)	1,332,201,206	463,095,688
b) Calculation of weighted average number of equity shares of ₹ 10 each:		
- Number of equity shares outstanding at the beginning of the year	2,805,998	2,805,998
- Number of equity shares issued during the year	30,519,877	-
Total number of equity shares outstanding at the end of the year	33,325,875	2,805,998
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	11,258,656	2,805,998
c) Weighted average number of diluted equity shares	11,258,656	27,663,884
d) Adjusted net profit for diluted EPS	1,332,201,206	493,267,809
e) Basic earnings per share (in ₹) (a/b)	118.33	165.04
d) Diluted earnings per share (in ₹) (d/c)	118.33	18.15

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at 31 March 2018. (Previous year, dilution in earnings per share was on account of Compulsorily convertible non- cumulative preference shares and Compulsorily convertible debentures).



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.31 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits

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

Amount of ₹ 545,216 (Previous year: ₹ 272,364) is recognised as expenses and included in "Employee benefit expenses"

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

The following tables summarize the components of the net benefit expenses recognised in the profit and loss account and the fund status and amount recognised in the balance sheet for the gratuity benefit plan

#### Statement of profit and loss

##### Expenses recognised in the Statement of Profit and Loss

	2018	2017
Current service cost	209,000	86,000
Interest cost	125,823	68,110
Actuarial (gain) or losses	(78,000)	(233,000)
Employer expense	256,823	(78,890)

#### Balance Sheet

##### Reconciliation of Defined Benefit Obligation (DBO)

	2018	2017
Present value of DBO at start of year	850,978	1,045,868
Transfer in / (out)	999,000	(116,000)
Current service cost	209,000	86,000
Interest cost	125,823	68,110
Benefits Paid	-	-
Actuarial (Gain) / Loss	(78,000)	(233,000)
Present value of DBO at end of year	2,106,801	850,978

##### Net liability / (Asset) recognised in the Balance Sheet

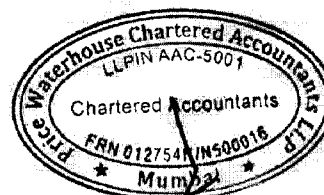
	2018	2017
Present value of DBO	2,106,801	850,978
Fair value of Plan Assets	-	-
Net liability / (Assets)	2,106,801	850,978
Less: Unrecognised Past service cost	-	-
Liability / (Assets) recognised in the Balance Sheet	2,106,801	850,978
Of which, Short term provision	300,000	120,000

#### Experience Adjustment :

Particulars	2018	2017	2016	2015	2014
Defined Benefit Obligation	2,106,801	850,978	1,045,868	1,315,409	360,000
Fair value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	2,106,801	850,978	1,045,868	1,315,409	360,000
Experience Adjustment on Plan Liabilities:					
(Gain)/Loss	(9,000)	(265,000)	(1,169,000)	327,000	39,000
Experience Adjustment on Plan Assets:					
Gain/(Loss)	-	-	-	-	-

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

	2018	2017
Discount rate	7.30%	6.80%
Salary growth rate	7.00%	7.00%
Employee attrition rate (based on categories)	13%-25%	13%-25%
Mortality rate	IALM 2006-08 (Ult.)	
Expected average remaining working lives of employee	6 years	6 years



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.32 Encumbrances on fixed deposits held by the Company

i) RBL Bank Limited: ₹ 50,000,000 (Previous year: ₹ 50,000,000) against overdraft facility.

## 2.33 Open interests equity index futures / equity stock futures have open interests as on the balance sheet date 31 March 2018

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	-	-	519	38,925
Stock future	< 1 month	361	379,975	-	-

Open interests equity index futures / equity stock futures have open interests as on the balance sheet date 31 March 2017

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	981	73,575	-	-
Nifty	1-2 months	64	4,800	-	-
Stock future	< 1 month	804	1,668,000	-	-

Option contracts are outstanding as on balance sheet date

Option Type	31 March 2018		31 March 2017	
	Premium paid (Net of provision made)	Premium received (Net of provision made)	Premium paid (Net of provision made)	Premium received (Net of provision made)
Equity Index	29,922	10,561,268	-	5,627,378

## 2.34 Contingent liabilities and commitments

### i) Contingent liabilities

a) Taxation matters of Assessment Year 2014-15 in respect of which appeal is pending ₹ 46,380,247 (Previous year: Nil).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income tax, service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

### ii) Commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 1,955,000 (Previous year: Nil).

b) Undrawn committed credit lines (subject to meeting of conditions) of ₹ 828,115,525 (Previous year: Nil).

c) Uncalled liabilities on non-current investments of ₹ 269,840,415 (Previous year ₹ 132,840,000).

2.35 The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favorable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote

## 2.36 Details of dues to micro and small enterprises

Trade Payables includes Nil (Previous year: Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

## 2.37 Operating leases

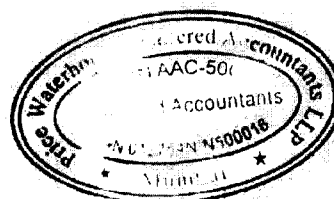
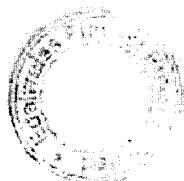
The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2018 aggregated to ₹ 1,365,092 (Previous year: ₹ 320,749) which has been included under the head other expenses – Rent in the Statement of profit and loss.

## 2.38 Details of transaction with non executive directors

The Company has not undertaken any transaction with its non-executive directors during the year ended 31 March 2018 (Previous year: Nil).

## 2.39 Foreign currency transactions

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2018 (Previous year: Nil).



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.40 Details of Secured Debentures

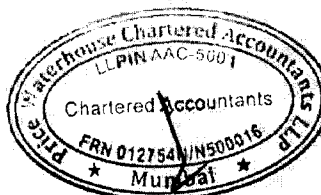
- The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to ₹ 13,561,928,520 (Previous year ₹ 5,799,497,860) by way of charge on immovable property, floating charge on movable properties in the form of stock-in-trade, receivables from financing business and corporate guarantee from holding company.
- In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

## 2.41 Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below

As at 31 March 2018

Secured Debentures			Unsecured Debentures		
Maturity	Rate of Interest		Maturity	Rate of Interest	
	Benchmark Linked Debentures*	9.10%		Benchmark Linked Debentures*	11.00%
June-2027	67,769,481	-	January-2028	447,883,159	-
March-2024	166,127,167	-	January-2027	16,013,149	-
September-2022	-	3,471,973,407	July-2025	-	150,000,000
May-2022	2,643,057	-	February-2022	6,697,061	-
March-2022	1,879,279	-	January-2022	19,202,857	-
February-2022	429,029,099	-	December-2020	15,103,748	-
January-2022	10,266,799	-	November-2020	7,644,540	-
September-2021	148,592,710	-	October-2020	25,073,502	-
July-2021	64,870,730	-	September-2020	7,780,156	-
January-2021	7,550,215	-	August-2020	297,832,162	-
December-2020	9,149,989	-	March-2020	40,828,920	-
October-2020	44,601,249	-	September-2019	8,631,199	-
September-2020	253,515,991	-	August-2019	8,677,837	-
August-2020	85,153,490	-	September-2018	14,336,057	-
July-2020	355,308,700	-	August-2018	192,926,887	-
June-2020	437,741,032	-			
May-2020	95,988,462	-			
March-2020	161,831,850	-			
February-2020	108,203,532	-			
January-2020	151,320,393	-			
November-2019	30,470,194	-			
October-2019	83,317,020	-			
September-2019	161,184,380	-			
August-2019	199,918,321	-			
July-2019	261,961,923	-			
June-2019	104,639,187	-			
May-2019	587,617,840	-			
April-2019	132,330,368	-			
March-2019	306,530,767	-			
February-2019	43,222,215	-			
January-2019	129,065,209	-			
December-2018	300,122,511	-			
November-2018	25,049,850	-			
October-2018	1,045,642,083	-			
September-2018	388,452,035	-			
August-2018	2,261,095,976	-			
July-2018	532,988,282	-			
June-2018	258,470,623	-			
May-2018	547,934,879	-			
April-2018	88,398,225	-			
<b>Total</b>	<b>10,089,955,113</b>	<b>3,471,973,407</b>	<b>Total</b>	<b>1,108,631,234</b>	<b>150,000,000</b>

\*Benchmarked Linked debentures have various rate of interest linked with Nifty.



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.41 Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below (continued)

As at 31 March 2017

Secured Debentures		Unsecured Debentures		
Maturity	Rate of Interest Benchmark Linked Debentures*	Maturity	Rate of Interest Benchmark Linked Debentures*	17.00%
March-2024	300,000,000	January-2027	40,000,000	-
February-2022	12,500,000	February-2022	10,000,000	-
January-2022	15,000,000	January-2022	28,500,000	-
September-2021	50,000,000	August-2020	380,000,000	-
September-2020	50,000,000	March-2020	50,000,000	-
August-2020	10,000,000	December-2017	-	268,873,000
July-2020	364,000,000			
June-2020	544,325,756			
May-2020	119,000,000			
April-2020	10,000,000			
March-2020	192,933,700			
February-2020	130,553,412			
November-2019	30,000,000			
July-2019	60,024,795			
June-2019	80,000,000			
May-2019	587,660,197			
April-2019	34,000,000			
March-2019	151,500,000			
January-2019	60,000,000			
December-2018	302,500,000			
November-2018	10,000,000			
September-2018	41,000,000			
August-2018	27,500,000			
July-2018	370,000,000			
June-2018	185,000,000			
May-2018	475,000,000			
April-2018	20,000,000			
March-2018	1,270,000,000			
January-2018	287,000,000			
October-2017	10,000,000			
<b>Total</b>	<b>5,799,497,860</b>	<b>Total</b>	<b>508,500,000</b>	<b>268,873,000</b>

\*Benchmarked Linked debentures have various rate of interest linked with Nifty.

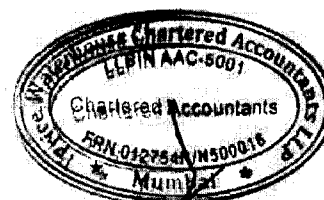
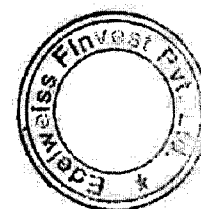
## 2.42 Details of the secured loan taken from Bank

As at March 31 2018

Maturity	Rate of Interest -
	8.55%
June-2022	25,000,000
March-2022	25,000,000
December-2021	25,000,000
September-2021	25,000,000
June-2021	25,000,000
March-2021	25,000,000
December-2020	25,000,000
September-2020	25,000,000
June-2020	25,000,000
March-2020	25,000,000
December-2019	25,000,000
September-2019	25,000,000
June-2019	25,000,000
March-2019	25,000,000
December-2018	25,000,000
September-2018	25,000,000
June-2018	25,000,030
<b>Total</b>	<b>425,000,030</b>

Above term loan is secured by charge on receivables from financing business.

As at March 31 2017 : Nil





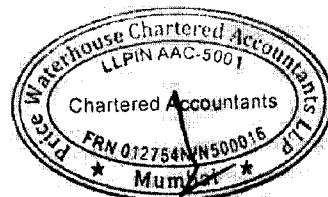
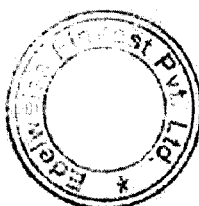
# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.43 Details of purchase, sale and change in stock in trade

	2018	2,017
<b>Opening stock</b>		
Equity shares	662,319,000	-
Preference shares	-	-
Debt instruments	5,919,964,194	1,650,000,000
Mutual Fund	-	-
<b>Total</b>	<b>6,582,283,194</b>	<b>1,650,000,000</b>
<b>Purchase</b>		
Equity shares	1,849,797,242	1,480,191,820
Preference shares	179,170,514	-
Debt instruments	21,705,388,972	4,669,974,209
Mutual Fund	98,490,500,000	-
<b>Total</b>	<b>122,224,856,728</b>	<b>6,150,166,029</b>
<b>Sales</b>		
Equity shares	2,596,824,054	804,358,690
Preference shares	182,237,583	-
Debt instruments	7,040,524,300	400,010,015
Mutual Fund	96,269,690,696	-
<b>Total</b>	<b>106,089,276,632</b>	<b>1,204,368,705</b>
<b>Closing stock</b>		
Equity shares	99,998,080	662,319,000
Preference shares	-	-
Debt instruments	20,632,698,355	5,919,964,194
Mutual Fund	1,498,738,892	-
<b>Total</b>	<b>22,231,435,327</b>	<b>6,582,283,194</b>
<b>Profit/(loss) on sale of securities</b>	<b>(486,427,963)</b>	<b>(13,514,130)</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.44 Investments

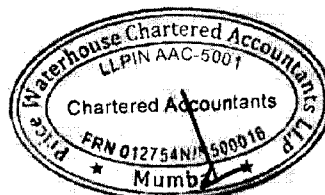
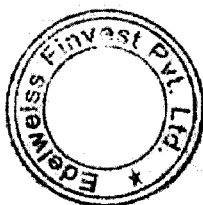
	2018	2017
<b>1) Value of Investments</b>		
i) Gross Value of Investments		
a) In India	4,414,868,836	2,871,423,903
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	77,829,765	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	4,337,039,072	2,871,423,903
b) Outside India	-	-
<b>2) Movement of provisions held towards depreciation on investments.</b>		
i) Opening balance	-	-
ii) Add : Provisions made during the year	77,829,765	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	77,829,765	-

## 2.45 Capital to Risk Assets Ratio (CRAR)

	2018	2017
i) CRAR (%)	23.10%	42.26%
ii) CRAR - Tier I capital (%)	22.36%	42.03%
iii) CRAR - Tier II Capital (%)	0.74%	0.23%
iv) Amount of subordinated debt raised as Tier-II capital	150,000,000	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

## 2.46 Exposure to real estate sector, both direct and indirect

	2018	2017
<b>A Direct Exposure</b>		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹.15 lakhs may be shown separately)	-	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	17,230,148,788	4,517,100,000
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
<b>B Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>C Others (not covered above)</b>	-	-



## Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.47 Exposure to Capital Market

	2018	2017
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1,091,883,527	1,416,496,908
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	971,925,736	225,731
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	7,426,971,436	2,677,964,194
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	286,159,586	-
ix) others (not covered above)	-	-

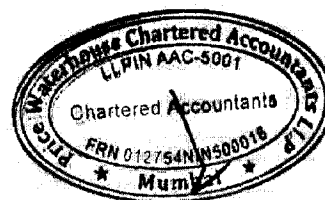
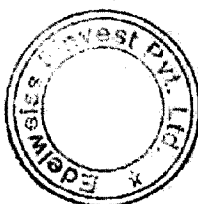
### 2.48 Asset Liability Management -Maturity pattern of certain items of assets and liabilities

As at 31 March 2018

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter-corporate loan	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	-	188,398,226	-	406,770,965	-	-
Over One months to 2 months	-	547,934,879	-	5,056,917	-	-
Over 2 months up to 3 months	25,000,000	758,470,623	-	364,877,478	-	-
Over 3 months to 6 months	25,000,000	3,589,799,239	-	14,951,765	-	-
Over 6 months to 1 year	50,000,000	8,813,197,202	3,900,000	538,330,491	-	22,231,435,327
Over 1 year to 3 years	200,000,000	3,681,769,110	-	4,586,725,170	-	-
Over 3 years to 5 years	125,000,030	4,155,155,000	-	162,500,000	-	-
Over 5 years	-	847,792,956	-	720,000,000	4,337,039,072	-
Total	425,000,030	22,582,517,235	3,900,000	6,799,212,786	4,337,039,072	22,231,435,327

As at 31 March 2017

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Inter-corporate loan	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	-	-	-	23,225,731	35,000,000	-
Over One months to 2 months	-	-	-	-	-	-
Over 2 months up to 3 months	-	-	-	-	-	-
Over 3 months to 6 months	-	-	-	703,800,000	25,000,000	-
Over 6 months to 1 year	-	1,835,873,000	-	392,269,500	19,000,000	6,582,283,194
Over 1 year to 3 years	-	2,807,672,104	-	290,800,000	-	-
Over 3 years to 5 years	-	1,593,325,756	-	375,000,000	-	-
Over 5 years	-	340,000,000	-	-	2,792,423,903	-
Total	-	6,576,870,860	-	1,785,095,231	2,871,423,903	6,582,283,194



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

## 2.49 Movements in Non Performing Advances:

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

	2018	2017
i) Net NPAs to Net advances (%)	0.00%	0.00%
ii) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	1,146,150,000	-
c) Reductions during the year*	662,600,000	-
d) Closing balance	483,550,000	-
iii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iv) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	1,146,150,000	-
c) Reductions during the year	662,600,000	-
d) Closing balance	483,550,000	-

\* Includes NPA written off during the year ₹ 290,800,000 million (Previous year: Nil)

## 2.50 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown in the Statement of Profit and loss	2018	2017
i) Provisions for depreciation on Investment	57,829,765	-
ii) Provision towards NPA	483,550,000	-
iii) Provision made towards Income tax (including deferred tax)	362,643,064	217,209,872
iv) Provision for Standard Assets	67,837,979	12,092,839
v) Other Provision and Contingencies		
a) Provision for gratuity	256,823	(78,890)
b) Provision for compensated absences	124,423	(115,000)

## 2.51 Concentration of Deposits, Advances, Exposures and NPAs

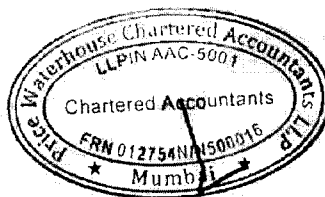
	2018	2017
A) Concentration of Advances		
Total Advances to twenty largest borrowers	16,882,526,316	7,719,936,264
% of Advances to twenty largest borrowers to Total Advances	61.68%	99.96%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	16,882,526,316	7,719,936,264
% of Exposures to twenty largest borrowers / Customers to Total Advances	61.68%	99.96%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	483,550,000	-
D) Sector-wise NPAs		
Sectors/Particulars	% of NPAs to Total Advances in that sector	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	1.91%	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

## 2.52 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

## 2.53 Customer Complaints

	2018	2017
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

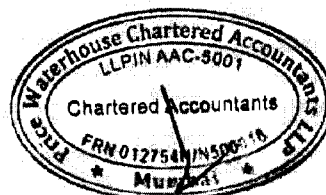
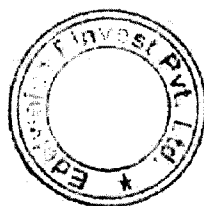
2.54 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2018	2017	2018	2017
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	15,809,845,432	5,799,497,860	-	-
(ii) Unsecured	2,210,137,173	77,737,300	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	425,000,030	-	-	-
d) Inter-corporate loans and borrowing	7,761,957,481	-	-	-
e) Commercial Paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Inter corporate loan	12,207,670	-	-	-

Assets side:

Particulars	Amount Outstanding	
	2018	2017
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	26,800,020,165	7,112,272,190
b) Unsecured	572,937,960	607,664,074
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	79,000,000
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.54 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

4) Break up of Investments (Continued)		Amount Outstanding	
		2018	2017
Long-Term Investments ( Net of Provision )			
a) Quoted:			
(i) Shares: Equity		-	164,035,629
Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
b) Unquoted:			
(i) Shares: Equity		591,883,527	590,142,279
Preference		40,000,950	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
- Investments in security receipts of trusts		3,404,434,787	2,004,085,995
- Investments in units of funds		286,159,586	29,160,000
- Investments in warrants		14,560,222	5,000,000

5) Borrower group-wise classification of assets financed as in (2) and (3) above  
As at 31 March 2018

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
2. Other than related parties	26,316,470,165	572,937,960	26,889,408,125
<b>TOTAL</b>	<b>26,316,470,165</b>	<b>572,937,960</b>	<b>26,889,408,125</b>

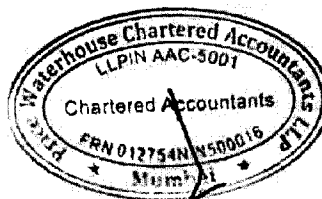
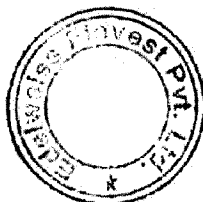
As at 31 March 2017

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	415,269,500	415,269,500
(c) Other related parties	-	-	-
2. Other than related parties	7,112,272,190	192,394,574	7,304,666,764
<b>TOTAL</b>	<b>7,112,272,190</b>	<b>607,664,074</b>	<b>7,719,936,264</b>

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	2018	2017	2018	2017
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	806,301,865	619,302,279	806,301,865	619,302,279
(c) Other related parties	-	-	-	-
2) Other than related parties	3,530,737,207	2,241,692,707	3,530,737,207	2,252,121,624
<b>TOTAL</b>	<b>4,337,039,072</b>	<b>2,860,994,986</b>	<b>4,337,039,072</b>	<b>2,871,423,903</b>

\*\* As per Accounting Standard 18 - Related Party Disclosures



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

2.54 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

## 7) Other Information

Particulars	2018	2017
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	483,550,000	-
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

### Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

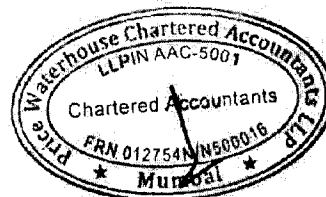
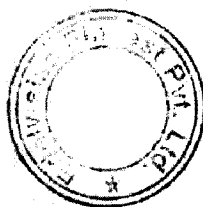
## 2.55 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of Companies Act 2013,

- Gross Amount required to be spent by the Company during the year was Nil (Previous year : Nil).
- Amount spent during the year on :

S.no.	Particulars	2018			2017		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
1	Construction/ Acquisition of any assets	-	-	-	-	-	-
2	on purpose other than (i) above	-	-	-	-	-	-

The Company is a subsidiary of Ecap Equities Limited which is wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of ₹. 177,841,968 (Previous year: ₹. 115,684,300) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.



**Edelweiss Finvest Private Limited****Notes to the financial statements (continued)**

(Currency: Indian rupees)

**2.56 Assets and liabilities acquired on account of merger of finance division of Edelweiss Finance and Investments Limited, a fellow subsidiary**

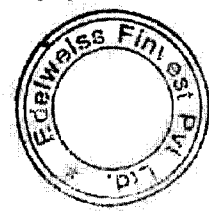
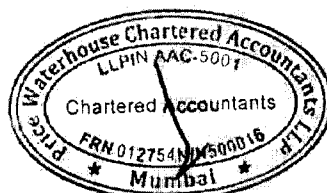
- i) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 and Sections 230 to 232 of the Companies Act 2013 sanctioned by the National Company Law Tribunal, Mumbai Bench vide its order dated 25 July 2017 ("the Order"), Edelweiss Finance & Investments Limited (EFIL), a fellow subsidiary, ("The Demerged Company" or "The Transferor Company"), has demerged the Lending and Investment Business to Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited) ("First Resulting Company" or "EW Finvest"), which is another NBFC engaged in the business of lending and investments, and the Training Centre Business to Edel Land Limited ("Second Resulting Company" or "ELL") which undertakes real estate activities with effect from 1 April 2016 ("the Appointed Date"). The scheme has come into effect from 1 August 2017 ("the Effective Date"). Accordingly, the financial statements of the Company for the year ended 31 March 2018 have been prepared taking into account the effect of the said Order.

## ii) In accordance with the Scheme:

On the Scheme becoming effective with effect from the Appointed date, the Company has taken over all the assets aggregating ₹.10,214,424,626 and liabilities aggregating to ₹ 8,737,815,930 as appearing in the books of Transferor Company related to business of lending and investment business at its respective book value as on Appointed Date. Net asset acquired include.

<b>Asset/Liabilities received under the Scheme</b>	<b>Amount in ₹</b>
<b>Assets</b>	
Investments	3,650,542,560
Deferred Tax	104,928,973
Loans and Advances	5,801,162,974
Other Current Assets and Trade Receivables	657,790,119
<b>Total Assets (A)</b>	<b>10,214,424,626</b>
<b>Liabilities</b>	
Long Term Borrowings	5,874,515,370
Provisions	65,784,601
Trade Payables	17,952,500
Other current liabilities	1,555,562,660
Short term borrowings	1,224,000,799
<b>Total Liabilities (B)</b>	<b>8,737,815,930</b>
<b>Net assets transferred (A-B)</b>	<b>1,476,608,696</b>

- iii) The Scheme of arrangement is a tax neutral merger as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 and accordingly, the assets and liabilities as on appointed date were transferred at cost. The Company has issued 8,279,275 equity shares of ₹10 each at premium of ₹. 168.35 each equity share aggregating to ₹ 1,476,608,696 to Edelweiss Financial Services Limited the 100% shareholder of Edelweiss Finance & Investment Limited in settlement of the purchase consideration for the lending and investment business acquired.
- iv) On account of merger, The Company has received profit after tax of ₹ 286,006,643 from April 1st, 2016 (appointed date) to March 31st, 2017 from Edelweiss Finance & Investments Limited.
- v) The company has cancelled its 466,300, 0.01% Compulsorily convertible non- cumulative preference shares - Series A at par having face value of ₹ 10 each and premium of ₹ 240 each. These shares were held by EFIL and transferred to the Company on account of merger.





# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

## 2.57 Details of ratings assigned by credit rating agencies

As at 31 March 2018

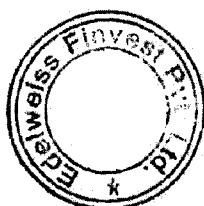
Instrument category	Brickworks	CRISIL	ICRA
i) Long Term Instruments			
Rating	AA+	AA/Stable	AA
Amount	3,300,000,000	12,000,000,000	13,500,000,000
ii) Short term instruments			
Rating		A1+	A1+
Amount		10,000,000,000	10,000,000,000
iii) Market linked debentures			
a Short Term		PP- MLD A1+R	PP-MLD [ICRA]A1+
Rating		5,000,000,000	1,500,000,000
Amount			
b Long Term			
Rating	PP-MLD AA+	PP MLD AA r/Stable	PP-MLD [ICRA]AA
Amount	3,000,000,000	11,500,000,000	13,000,000,000

As at 31 March 2017

Instrument category	CRISIL	ICRA
i) Long Term Instruments		
Rating	AA/Stable	AA
Amount	12,000,000,000	11,000,000,000
ii) Short term instruments		
Rating	A1+	A1+
Amount	10,000,000,000	10,000,000,000
iii) Market linked debentures		
a Short Term	PP- MLD A1+R	PP-MLD [ICRA]A1+
Rating	5,000,000,000	1,500,000,000
Amount		
b Long Term		
Rating	PP MLD AA r/Stable	PP-MLD [ICRA]AA
Amount	6,500,000,000	6,000,000,000

## 2.58 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.25 and 2.27 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

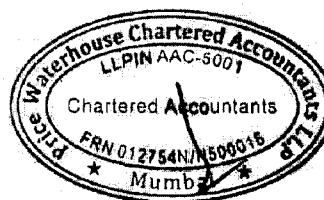
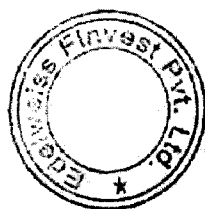
- 2.59 Registration obtained from other financial sector regulators - None
- 2.60 The Company has not restructured any loans and advances during the year ended 31 March 2018 and 31 March 2017.
- 2.61 Disclosure of Penalties imposed by RBI and other regulators- None
- 2.62 Overseas Assets - Nil (Previous year - Nil)
- 2.63 Details of financing of parent company products - None (Previous year - none)
- 2.64 Off-Balance sheet SPV sponsored - None (Previous year - none)
- 2.65 Draw Down from Reserves: (Previous year - Nil)
- 2.66 Disclosure of Penalties imposed by RBI and other regulators- Nil (Previous year - Nil)
- 2.67 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil
- 2.68 Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
Related Party transactions

Particulars	2018	2017
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

- 2.69 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	24,000	-	24,000
(+) Permitted receipts	-	280	280
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	24,000	-	24,000
Closing cash in hand as on 30.12.2016	-	280	280

*\*For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.*



## Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

- 2.70 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.
- 2.71 Previous year figures have been reclassified to conform to this year's classification.

Signature to notes forming part of the Financial Statements.

For Price Waterhouse Chartered Accountants LLP  
Chartered Accountants  
Firm's Registration No: 012754N / N500016

For and on behalf of the Board of Directors

  
Russell I Parera  
Partner  
Membership No: 42190

  
Pooja Dsouza  
Director  
DIN : 05136515

  
Hari Ram Misra  
Director  
DIN : 07599248

  
Sheetal Gandhi  
Chief Financial Officer

  
Niket Joshi  
Company Secretary

Mumbai  
2 May 2018

Mumbai  
2 May 2018

**INDEPENDENT AUDITOR'S REPORT****To the Members of Edelweiss Finvest Private 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 Finvest Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 standalone 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, 2019, 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 standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS 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 standalone Ind AS 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 Ind AS 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 Ind AS financial statements.



# S.R. BATLIBOI & Co. LLP

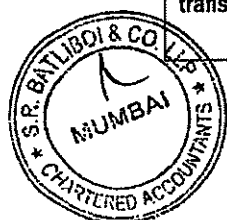
Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

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Key audit matters	How our audit addressed the key audit matter
<b>Impairment of receivables from financing business</b> (as described in note 12 of the standalone Ind AS financial statements)	
<p>The Company's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109. Under this approach, the management has been required to exercise significant judgement in areas such as;</p> <ul style="list-style-type: none"><li>• calculation of past default rates</li><li>• assigning rating grades to loans for which external rating is not available</li><li>• calibrating external ratings-linked probability of default to align with past default rates</li><li>• applying macro-economic factors to arrive at forward looking probability of default</li><li>• significant assumptions regarding the probability of various scenarios and discounting rates for different loan products</li></ul> <p>In view of the high degree of estimation involved in the process of calculating impairment provision and considering its significance to the overall financial statements, whereby any error or omission in estimation may give rise to a material misstatement of the standalone Ind AS financial statements, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"><li>• Our audit procedures included considering the appropriateness of the Company's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109.</li><li>• We performed test of controls on classification of receivables into various stages through inspection of evidence and re-performance of those controls.</li><li>• We performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans.</li><li>• We assessed<ul style="list-style-type: none"><li>• the Company's expected credit loss provisioning methodology</li><li>• the models used in determining the impairment provision</li><li>• the appropriateness of the historical data and the external rating considered for calculating the default and loss given default rates</li><li>• the key assumptions especially in respect of the macro-economic factors and discounting rates</li></ul></li><li>• We tested the arithmetical accuracy of the models.</li><li>• Performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimate determined by the management.</li><li>• We reviewed the relevant disclosures made in the standalone Ind AS financial statements in accordance with the requirements of Ind AS 109 and Ind AS 107.</li></ul>
<b>Transition to IND AS accounting framework</b> (as described in note 49 of the standalone Ind AS financial statements)	
<p>The standalone IND AS financial statements are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, for transition to Ind AS, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS.</p>	<p>Our audit procedures included considering the appropriateness of the processes laid down by the management to implement such transition combined with procedures performed as follows:</p> <ul style="list-style-type: none"><li>• We reviewed the nature of the Ind AS adjustments based on the applicable Ind AS and previous period accounting policies prepared in accordance with IGAAP.</li><li>• We reviewed the first-time adoption exemptions availed by the Company as per 'Ind AS 101 First-Time Adoption of Indian Accounting Standards'.</li><li>• Performed test of details by inspection of contracts, documents and policies to assess the appropriateness of the Ind AS adjustments</li><li>• We tested the arithmetical accuracy of the Ind AS adjustments</li><li>• We reviewed the disclosures with respect to the transition in accordance with the requirements of Ind AS 101.</li></ul>



Key audit matters	How our audit addressed the key audit matter
<p>Some of the key Ind AS impact items in case of the Company are;</p> <ul style="list-style-type: none"> <li>• Impairment provisioning as per expected credit loss approach</li> <li>• Recognition of interest income/ expense as per the effective interest rate method</li> <li>• Fair valuation of financial instruments</li> </ul> <p>In view of the material impact and the complexity of implementation of the Ind AS framework, the transition to Ind AS was of particular importance for our audit as any error could lead to material misstatement in the preparation and presentation of the standalone Ind AS financial statements.</p>	
<p><b>IT systems</b></p> <p>The reliability and security of IT systems play a key role in the financial reporting process of the Company. The Company's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>Our audit procedures assisted by our IT specialists, included;</p> <p>General IT controls: We tested the governance and other higher controls operating over the IT environment of the Company, including system access and system change management. We considered the appropriateness of the access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p> <p>Application controls: We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the 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.

#### Responsibilities of Management and those Charged with Governance for the standalone Ind AS Financial Statements

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



accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are 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 standalone 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 the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 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**

1. The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 ('IGAAP') audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 02, 2018 and May 16, 2017 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
2. The transition date opening balance sheet of the Company as at April 01, 2017 include the financial information on account of merger impact of transfer of assets and liabilities from Edelweiss Finance and Investment with effective date August 01, 2017 [refer Note 51.1 to the standalone Ind AS financial statements]. The said financial information included in these standalone Ind AS financial statements are based on financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the other auditors, and have been restated to comply with Ind AS Adjustments made to the financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS, which have been audited by us.

**Report on Other Legal and Regulatory Requirements**

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
4. 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 standalone 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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;





# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

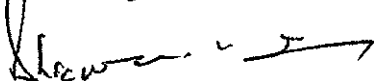
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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 41 to the Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 51.4 to the standalone Ind AS financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

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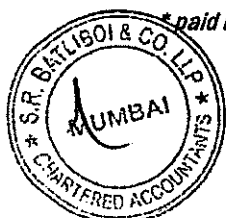
**Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Edelweiss Finvest Private Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us and audit procedures performed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added 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.
- (c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rs. in crore)	Amount paid* (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	8.38	2.42	AY 2014-15	The Commissioner of Income Tax (Appeals)

\* paid under protest



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

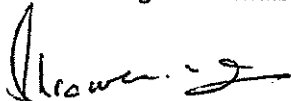
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- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.
- Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (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 the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



**Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Report on 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 Finvest Private Limited ("the Company") as of March 31, 2019 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 Act.

**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 Act, 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 financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these standalone Ind AS Financial Statements**

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

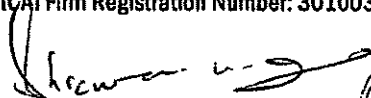
**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, 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 S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



**Edelweiss Finvest Private Limited**
**Balance Sheet as at March 31, 2019**

(Currency: Indian rupees in million)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>ASSETS</b>				
<b>Financial assets</b>				
(a) Cash and cash equivalents	8	4,670.11	363.75	70.20
(b) Derivative financial instruments	9	706.85	287.70	259.68
(c) Securities held for trading	10	1,142.86	1,699.74	1,230.94
(d) Receivables				
(i) Trade receivables	11	21.34	12.85	0.02
(ii) Other receivables	11	26.46	10.60	69.76
(e) Loans	12	24,560.55	27,977.43	14,363.67
(f) Investments	13	1,862.01	4,617.50	3,859.03
(g) Other financial assets	14	668.12	19.33	460.66
		<b>33,658.30</b>	<b>34,988.90</b>	<b>20,313.96</b>
<b>Non-financial assets</b>				
(a) Current tax assets (net)	15	147.32	146.82	106.05
(b) Deferred tax assets (net)	16	114.22	286.97	51.90
(c) Property, Plant and Equipment	17	1.35	1.13	1.10
(d) Other intangible assets	17	6.35	-	-
(e) Other non-financial assets	18	101.56	58.90	17.10
		<b>370.80</b>	<b>493.82</b>	<b>176.15</b>
<b>TOTAL ASSETS</b>		<b>34,029.10</b>	<b>35,482.72</b>	<b>20,490.11</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
(a) Derivative financial instruments	9	422.49	212.44	266.32
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	323.89	345.54	74.35
(c) Debt securities	20	22,275.76	17,970.76	12,945.64
(d) Borrowings (other than debt securities)	21	337.18	8,198.80	12.01
(e) Subordinated liabilities	22	161.17	161.26	161.12
(f) Other financial liabilities	23	22.74	16.54	58.65
		<b>23,543.23</b>	<b>26,905.34</b>	<b>13,518.09</b>
<b>Non-financial liabilities</b>				
(a) Current tax liabilities (net)	24	263.93	252.98	42.59
(b) Provisions	25	14.90	2.36	1.68
(c) Other non-financial liabilities	26	42.07	18.65	5.05
		<b>320.90</b>	<b>273.99</b>	<b>49.32</b>
<b>Equity</b>				
(a) Equity share capital	27	333.26	333.26	28.06
(b) Instruments entirely equity in nature	28	-	-	222.41
(c) Other equity	29	9,831.71	7,970.13	6,672.23
		<b>10,164.97</b>	<b>8,303.39</b>	<b>6,922.70</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>34,029.10</b>	<b>35,482.72</b>	<b>20,490.11</b>

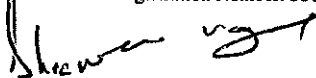
The accompanying notes are an integral part of the financial statements 1 to 52

As per our report of even date attached

For S. R. Batliboi &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

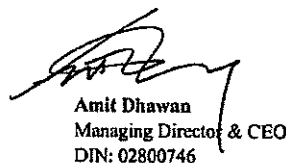


per Shrawan Jalan

Partner

Membership No: 102102

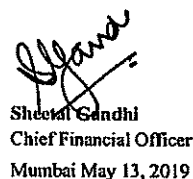
For and on behalf of the Board of Directors



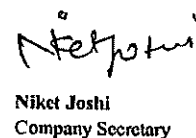
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746



Ashish Kehar  
Director  
DIN: 07789972



Sheetal Gandhi  
Chief Financial Officer  
Mumbai May 13, 2019



Niket Joshi  
Company Secretary

Mumbai May 13, 2019



**Edelweiss Finvest Private Limited**

**Statement of Profit and Loss for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from operations</b>			
Interest income	30	4,702.61	3,212.29
Dividend income	31	170.18	762.16
Fee income	32	119.39	84.75
Net gain / (loss) on fair value changes (including treasury income)	33	265.60	(184.84)
<b>Other income</b>	34	0.01	-
<b>Total Revenue</b>		<b>5,257.79</b>	<b>3,874.36</b>
<b>Expenses</b>			
Finance costs	35	2,264.01	1,504.49
Impairment on financial instruments	36	119.59	917.43
Employee benefits expense	37	112.76	36.10
Depreciation, amortisation and impairment	17	0.89	0.11
Other expenses	38	217.48	134.84
<b>Total expenses</b>		<b>2,714.73</b>	<b>2,592.97</b>
<b>Profit before tax</b>		<b>2,543.06</b>	<b>1,281.39</b>
<b>Tax expenses</b>			
(1) Current tax	39	670.17	477.90
(2) Deferred tax expense / (credit) (net)	39	164.87	(260.35)
<b>Profit for the year</b>		<b>1,708.02</b>	<b>1,063.84</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		(1.89)	0.08
Income tax - OCI - that will not be reclassified		0.66	(0.03)
<b>Total</b>		<b>(1.23)</b>	<b>0.05</b>
<b>Total comprehensive income</b>		<b>1,706.79</b>	<b>1,063.89</b>
<b>Earnings per equity share (Face value of Rs. 10 each):</b>			
(1) Basic (INR)	40	51.25	94.49
(2) Diluted (INR)	40	51.25	34.81

The accompanying notes are an integral part of the financial statements

1 to 52

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

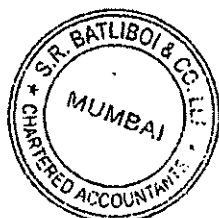
CAI Firm Registration Number: 301003E/E300005

*Shrawan Jalan*

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

For and on behalf of the Board of Directors

*Amit Dhawan*  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

*Ashish Kehair*  
Ashish Kehair  
Director  
DIN: 07789972

*Sheetal Gandhi*  
Sheetal Gandhi  
Chief Financial Officer  
Mumbai May 13, 2019

*Niket Joshi*  
Niket Joshi  
Company Secretary



**Edelweiss Finvest Private Limited**

**Statement of Changes in Equity for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**A. Equity Share Capital**

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019	Outstanding as on April 1, 2017	Issued during the year	Outstanding as on March 31, 2018
Issued, subscribed and paid up (Equity shares of Rs.10 each, fully paid-up)	333.26	-	333.26	28.06	305.20	333.26

**B. Instruments entirely equity in nature**

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019	Outstanding as on April 1, 2017	Converted during the year	Outstanding as on March 31, 2018
Compulsorily convertible non- cumulative preference shares Issued, subscribed and fully paid up of Rs. 10 each						
Series A	-	-	-	3.34	(3.34)	-
Series B	-	-	-	113.45	(113.45)	-
Series C	-	-	-	105.62	(105.62)	-

**B. Other Equity**

	Share capital pending allotment *	Capital redemption reserve	Securities Premium	Statutory Reserve	Retained Earnings	Deemed Capital Contribution - Equity	Total Attributable to equity holders
Balance as at 1st April 2017	82.79	84.34	3,743.44	534.56	2,226.42	0.68	6,672.23
Profit for the year	-	-	-	-	1,063.84	-	1,063.84
Other comprehensive income	-	-	-	-	0.05	-	0.05
	82.79	84.34	3,743.44	534.56	3,290.31	0.68	7,736.12
Shares issued during the year	(82.79)	-	-	-	-	-	(82.79)
Premium received on issue of debentures	-	-	9.11	-	-	-	9.11
Income tax impact on ESOPs	-	-	-	-	6.12	-	6.12
Transfer to statutory reserve	-	-	-	266.44	(266.44)	-	-
ESOPs charged during the year	-	-	-	-	-	1.57	1.57
Deemed distribution during the year	-	-	-	-	300.00	-	300.00
Balance as at March 31, 2018	-	84.34	3,752.55	801.00	3,329.99	2.25	7,970.13
Profit for the year	-	-	-	-	1,708.02	-	1,708.02
Other comprehensive income	-	-	-	-	(1.23)	-	(1.23)
	-	84.34	3,752.55	801.00	5,036.78	2.25	9,676.92
Premium received on issue of debentures	-	-	163.33	-	-	-	163.33
Income tax impact on ESOPs	-	-	-	-	(8.54)	-	(8.54)
Transfer to statutory reserve	-	-	-	341.60	(341.60)	-	-
Balance as at March 31, 2019	-	84.34	3,915.88	1,142.60	4,686.64	2.25	9,831.71

\* Share capital pending allotment on account of merger (Refer note 51.1)

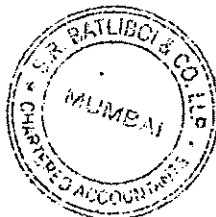
As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan  
Partner  
Membership No: 102102



Mumbai May 13, 2019

For and on behalf of the Board of Directors

*[Signature]*  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

*[Signature]*  
Shashi Gandhi  
Chief Financial Officer  
Mumbai May 13, 2019

*[Signature]*  
Ashish Kehair  
Director  
DIN: 07789972

*[Signature]*  
Niket Joshi  
Company Secretary

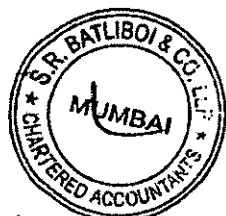




**Edelweiss Finvest Private Limited**
**Statement of Cash flows for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A Cash flow from operating activities</b>		
Profit before tax	2,543.06	1,281.39
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation	0.89	0.11
Impairment on financial instruments (net)	119.59	917.43
Fair value of financial instruments (net)	(167.73)	925.99
Interest income on preference shares	-	(7.33)
Provision for gratuity and compensated absences	10.65	0.76
Expense on employee stock option scheme	-	1.57
Loss on sale of of fixed assets (net)	(0.19)	-
<b>Working capital changes (net)</b>	<b>2,506.27</b>	<b>3,119.92</b>
Trade and other receivables	(23.42)	46.31
Securities held for trading	529.37	(1,220.28)
Other financial assets	(1,005.96)	409.72
Loans	3,296.36	(14,531.17)
Investments	2,888.75	(590.69)
Other non financial assets	(42.66)	(41.80)
Trade payables	(21.65)	271.19
Non financial liabilities	23.42	13.60
Other financial liability	438.37	(212.78)
	<b>8,588.85</b>	<b>(12,735.98)</b>
Income taxes paid	(659.72)	(308.28)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>7,929.13</b>	<b>(13,044.26)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(8.13)	(0.14)
Sale of property, plant and equipment and intangible assets	0.86	-
<b>Net cash used in investing activities - B</b>	<b>(7.27)</b>	<b>(0.14)</b>
<b>C Cash flow from financing activities</b>		
Increase in debt securities (refer note 1 below)	4,246.27	5,150.79
(Decrease) / increase in borrowings other than debt securities (refer note 1 below)	(7,861.77)	8,187.16
<b>Net cash (used in) / generated from financing activities - C</b>	<b>(3,615.50)</b>	<b>13,337.95</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,306.36</b>	<b>293.55</b>
Cash and cash equivalent as at the beginning of the year	363.75	70.20
Cash and cash equivalent as at the end of the year	4,670.11	363.75
	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Operational cash flows from interest and dividends</b>		
Interest paid	2,058.56	1,646.59
Interest received	4,213.58	2,846.79
Dividend received	170.18	809.10



**Edelweiss Finvest Private Limited**

**Statement of Cash flows for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**Cash Flow Statement (continued)**

Notes:

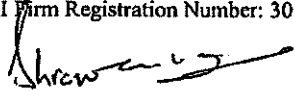
- 1 Net figures have been reported on account of volume of transactions.
- 2 Refer note 43 for disclosure relating to changes in liabilities arising from financing activities

As per our report of even date attached

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

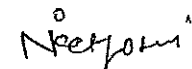
**For and on behalf of the Board of Directors**

  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

  
Shital Gandhi  
Chief Financial Officer

Mumbai May 13, 2019

  
Ashish Kehair  
Director  
DIN: 07789972

  
Niket Joshi  
Company Secretary



**1. Corporate information:**

Edelweiss Finvest Private Limited ('the Company') a private limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of ECap Equities Limited. The Company was incorporated on August 23, 2006, and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company is primarily engaged in the business of corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and real estate finance to developers and under the retail credit vertical it offers loan against securities.

**2. Basis of preparation:**

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).

For all periods up to and including the year ended March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 49 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

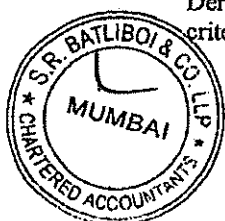
**3. Presentation of financial statements:**

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 44-Maturity Analysis of assets and liabilities".

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

Derivative assets and liabilities with master netting arrangements [e.g. ISDAs (International Swaps and Derivatives Association)] are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.



#### 4. Significant accounting policies

##### 4.1 Recognition of interest income and dividend income

###### 4.1.1 Effective interest rate (EIR):

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 flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR 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 financial asset. 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.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

###### 4.1.2 Interest income:

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

###### 4.1.3 Dividend income:

The Company recognised dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

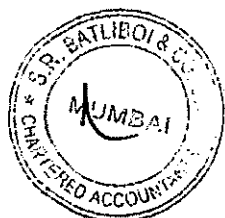
##### 4.2 Financial instruments:

###### 4.2.1 Date of recognition:

Financial assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date 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. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

###### 4.2.2 Initial measurement of financial instruments:

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



#### 4.2.3 Day 1 profit and 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.

#### 4.2.4 Classification & measurement categories of financial assets and liabilities:

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:

##### Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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. The changes in carrying value of financial assets is recognised in profit and loss account.

##### Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

##### Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

#### 4.3 Financial assets and liabilities:

##### 4.3.1 Amortized cost and effective interest method

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

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

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



**4.3.2 Financial assets held for trading:**

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

**4.3.3 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 FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

**4.3.4 Financial liabilities:**

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

**4.3.5 Derivative financial instruments:**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

**4.3.6 Debt securities and other borrowed funds:**

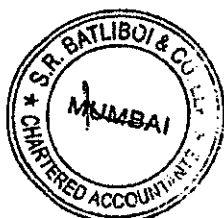
The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

**4.3.7 Financial assets and financial liabilities at fair value through profit or loss:**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group 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



- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

#### 4.3.8 Loan commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

#### 4.3.9 Financial liabilities and equity instruments

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

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

#### 4.4 Reclassification of financial assets and 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. The Company didn't reclassify any of its financial assets or liabilities in current period and previous period.

#### 4.5 Derecognition of financial Instruments:

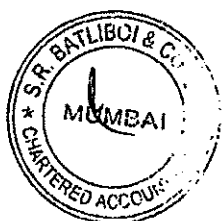
##### 4.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group 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 the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a



contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

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.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

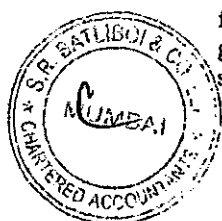
If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

#### 4.5.2 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, is recognised statement of profit and loss.

#### 4.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.





ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

#### Simplified approach

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.

#### General approach

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

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

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (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.

Company categories its financial assets as follows:

##### Stage 1 assets:

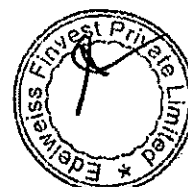
Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

##### Stage 2 assets:

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

##### Stage 3 assets:

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.



Notes to the financial statement for the year ended March 31, 2019

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

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.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facilities with a right to Company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

**4.7 Collateral valuation:**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

**4.8 Collateral repossessed:**

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

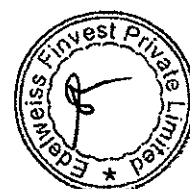
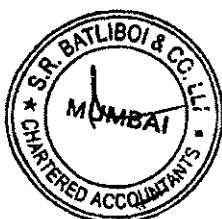
In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

**4.9 Write-offs:**

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

**4.10 Determination of fair value:**

The Company measures financial instruments, such as, derivatives at fair value at each reporting 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;



Notes to the financial statement for the year ended March 31, 2019

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

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

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

**Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments:**

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments:**

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

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

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

**4.11 Operating leases:**

The determination of whether an arrangement is lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

**4.12 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.



Notes to the financial statement for the year ended March 31, 2019

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.

**4.13 Foreign currency transaction:**

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

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

**4.14 Retirement and other employee benefit:**

**4.14.1 Provident fund:**

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.

**4.14.2 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.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, 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.

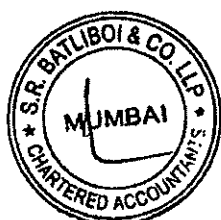
Remeasurement are not reclassified to profit or loss in subsequent periods.

**4.14.3 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.

**4.14.4 Deferred bonus:**

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles.



#### 4.14.5 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 equity-settled employee benefits reserve.

#### 4.15 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 are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

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

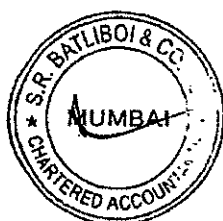
As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	Estimated useful lives
Building (other than factory building)	60 years
Vehicles	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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**4.16 Intangible assets:**

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**4.17 Impairment of non-financial assets:**

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

**4.18 Provisions and other contingent liabilities:**

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

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

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

**4.19 Income tax expenses:**

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

**4.19.1 Current tax:**

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

**4.19.2 Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the



Notes to the financial statement for the year ended March 31, 2019

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.

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.

**4.19.3 Current and deferred tax for the year:**

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

**4.20 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. Significant accounting judgements, estimates and assumptions :**

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.

**Critical judgements in applying accounting policies:**

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**5.1 Business model assessment :**

Classification and measurement of financial assets depends on the results of the sole payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial



Notes to the financial statement for the year ended March 31, 2019

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.

**5.2 Significant increase in credit risk:**

As explained in note 48.D.1, 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. 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.

**Key sources of estimation uncertainty:**

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

**5.3 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.

**5.4 Effective Interest Rate (EIR) Method:**

The Company's EIR methodology, as explained in Note 4.1.1, 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 potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

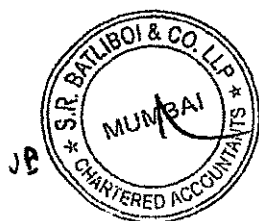
This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

**5.5 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:

- PD calculation 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 and the qualitative assessment





Notes to the financial statement for the year ended March 31, 2019

- 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, EAD and LGD
- 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.

**5.6 Impairment of Non-Financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**5.7 Provisions and contingent liabilities:**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

**5.8 Provisions for Income Taxes:**

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**6. Standards issued but not yet effective :**

**Ind AS 116 Leases:**

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.



**Prepayment Features with Negative Compensation (Amendments to Ind AS 109):**

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.

The application of these amendments is not likely to have a material impact on the Financial Statements.

**Annual Improvements to Ind AS (2018):**

**Ind AS 12 Income taxes:**

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

**Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19):**

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019. The application of these amendments is not likely to have a material impact on the Financial Statements.

**Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12):**

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019.

Accounts for the previous year ended March 31, 2018 were audited by previous auditors – Price Waterhouse & Co LLP.



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**Edelweiss Finvest Private Limited**

**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**8. Cash and cash equivalents**

Cash in hand

Cash in hand

Balances with banks

- in current accounts

- in fixed deposits with banks

- in fixed deposits with banks to the extent held as security against borrowings (refer note 8.A below)

Fixed deposit balances with banks earn interest at fixed rate

**8.A Encumbrances on fixed deposits held by the Company :**

Fixed deposits pledged against overdraft facility

RBL Bank Limited

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash in hand	-	0.01	0.01
Balances with banks			
- in current accounts	118.19	313.73	20.18
- in fixed deposits with banks	4,501.91	-	-
- in fixed deposits with banks to the extent held as security against borrowings (refer note 8.A below)	50.01	50.01	50.01
	<b>4,670.11</b>	<b>363.75</b>	<b>70.20</b>
Fixed deposits pledged against overdraft facility			
RBL Bank Limited	50.01	50.01	50.01
	<b>50.01</b>	<b>50.01</b>	<b>50.01</b>



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

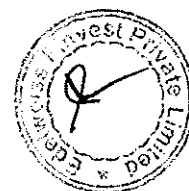
**9. Derivative financial instruments**

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts / units held.

Particulars	March 31, 2019							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	947,349	13.79	No of Shares	INR	107,525	1.24
Less: amounts offset				(13.79)				(1.24)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	191,175	20.55				-
Options purchased	Index Units	INR	213,150	379.35				-
Options sold (written)				-	Index Units	INR	214,950	1.33
Less: amounts offset				(20.55)				(1.33)
(Refer Note 9.A)								
Subtotal(ii)				379.35				-
(iii) Embedded derivatives								
In market linked debentures				327.50				422.49
Subtotal(iii)				327.50				422.49
<b>Total Derivative Financial Instruments</b>				<b>706.85</b>				<b>422.49</b>

Particulars	March 31, 2018							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	211,725	1.10	No of Shares	INR	168,250	0.56
Less: amounts offset				(1.10)				(0.56)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	38,925	0.77				-
Options purchased	Index Units	INR	44,475	0.03				-
Options sold (written)				-	Index Units	INR	45,750	10.56
Less: amounts offset				(0.77)				(10.56)
(Refer Note 9.A)								
Subtotal(ii)				0.03				-
(iii) Embedded derivatives								
In market linked debentures				287.67				212.44
Subtotal(iii)				287.67				212.44
<b>Total Derivative Financial Instruments</b>				<b>287.70</b>				<b>212.44</b>



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**9. Derivative financial instruments (continued)**

Particulars	April 01, 2017							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
<b>(i) Equity linked derivatives</b>								
Stock Futures	No of Shares	INR	1,353,600	2.31	No of Shares	INR	2,886,000	16.27
Less: amounts offset				(2.31)				(16.27)
(Refer Note 9.A)								
<b>Subtotal(i)</b>				-				-
<b>(ii) Index linked derivatives</b>								
Index Futures	Index Units	INR	157,800	18.51				-
Options purchased	Index Units	INR	95,625	40.96				-
Options sold (written)				-	Index Units	INR	94,050	8.07
Less: amounts offset				(18.51)				(8.07)
(Refer Note 9.A)								
<b>Subtotal(ii)</b>				40.96				-
<b>(iii) Embedded derivatives</b>								
In market linked debentures				218.72				266.32
<b>Subtotal(iii)</b>				218.72				266.32
<b>Total Derivative Financial Instruments</b>				<b>259.68</b>				<b>266.32</b>

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

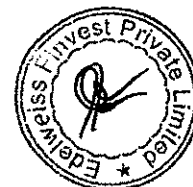
\*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Refer Note 4.3.6 and 4.3.7 for further details.

**Hedging activities and derivatives**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 48.

**Derivatives designated as hedging instruments**

The Company has not designated any derivatives as hedging instruments



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 9.A Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-19	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Assets after consideration of netting potential			
Derivative Assets	34.34	(34.34)	-	-	706.85	706.85	706.85
Margin placed with broker*	634.57	31.77	666.34	666.34	-	666.34	666.34

### Financial Liabilities subject to offsetting, netting arrangements

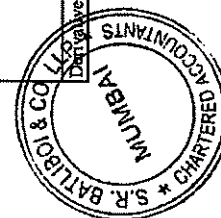
As at 31-Mar-19	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Liabilities after consideration of netting potential			
Derivative Liabilities	2.57	(2.57)	-	-	422.49	422.49	422.49

### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-18	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Assets after consideration of netting potential			
Derivative Assets	1.87	(1.87)	-	-	287.70	287.70	287.70
Margin placed with broker*	28.58	(9.25)	19.33	19.33	-	19.33	19.33

### Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-18	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Liabilities after consideration of netting potential			
Derivative Liabilities	11.12	(11.12)	-	-	212.44	212.44	212.44



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 9.A Offsetting (continued)

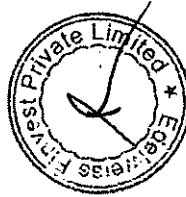
### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-17	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial assets	Collaterals paid	Assets after consideration of netting potential			
Derivative Assets	20.82	(20.82)	-	-	-	-	259.68	259.68	259.68
Margin placed with broker*	399.78	(3.52)	396.26	-	-	396.26	-	396.26	396.26

### Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-17	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential			
Derivative Liabilities	24.34	(24.34)	-	-	-	-	266.32	266.32	266.32

\*Note: As at the reporting date, cash margin received that has been offset against the gross derivative assets. Also, cash margin paid that has been offset against the gross derivative liabilities.



# Edelweiss Finvest Private Limited

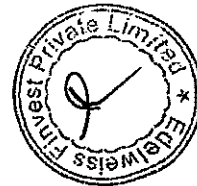
Notes to the financial statements for the year ended March 31, 2019

(Currency/Indian rupees in million)

## 10. Securities held for trading:

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount
<i>At fair value through profit and loss account</i>									
<b>Debt Securities</b>									
10.70% Dewan Housing Finance Limited 10.06.2021 Bonds	1,000,000	100	104.59	-	-	-	-	-	-
8.90% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	300,000	300.36	-	-	-	-	-	-
9.00% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	446,000	417.56	-	-	-	-	-	-
9.60% SREI Equipment Finance Limited 25.05.2028 Bonds	1,000	314,673	320.35	-	-	-	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly	-	-	-	1,000	315	0.37	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly Cumulative	-	-	-	1,000	7,471	13.11	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Monthly Cumulative	-	-	-	1,000	53,305	87.53	-	-	-
<b>Total Debt Securities (A)</b>			<b>1,142.86</b>			<b>101.01</b>			
<b>Mutual Fund (Unquoted)</b>									
JM Equity Fund - Monthly Dividend Option - Payout	-	-	-	20.95	83,517,071	998.73	-	-	-
BOI Axa Treasury Advantage Fund - Direct Plan - Growth	-	-	-	2,125.00	235,293	500.00	-	-	-
<b>Total Mutual Fund (B)</b>						<b>1,498.73</b>			
<b>Equity Instruments (Quoted)</b>									
ICICI Securities Limited	-	-	-	10	192,304	100.00	289.00	1,333,600	390.92
Hindustan Zinc Limited	-	-	-	-	-	-	145.00	1,218,000	177.71
Power Finance Corporation Limited	-	-	-	-	-	-	10.00	1,260,000	662.31
Hindustan Petroleum Corporation Limited	-	-	-	-	-	-	-	-	-
<b>Total Equity Instruments (C)</b>						<b>100.00</b>			<b>1,230.94</b>
<b>Total (A+B+C)</b>			<b>1,142.86</b>			<b>1,699.74</b>			<b>1,230.94</b>

Refer note 47 - Fair value measurement for valuation methodologies for securities held for trading





**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**11. Receivables**
**a) Trade receivables**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivables considered good - unsecured	21.34	12.85	0.02
Receivables - credit impaired	56.49	57.43	57.40
	77.83	70.28	57.42
Allowance for expected credit losses			
Receivables - credit impaired	(56.49)	(57.43)	(57.40)
Trade receivables (a)	21.34	12.85	0.02

**b) Other receivables**

Receivables considered good - unsecured \$	26.46	10.60	69.76
Other receivables (b)	26.46	10.60	69.76
Total receivables (a+b)	47.80	23.45	69.78

\$ Includes receivables from companies in the same group. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

**c) Reconciliation of impairment allowance on trade receivables:**

	As at March 31, 2019	As at March 31, 2018
Impairment allowance measured as per simplified approach		
Impairment allowance - opening balance	57.43	57.40
Add/ (less): asset originated or acquired (net)	(0.94)	0.03
Impairment allowance - closing balance	56.49	57.43

**Notes:**

1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person

2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.

**d) Trade receivables days past due**

As at March 31, 2019	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	21.34	-	-	56.49	77.83
ECL - Simplified approach	-	-	-	-	56.49	56.49
Net carrying amount	-	21.34	-	-	-	21.34
As at March 31, 2018	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	12.85	-	-	57.43	70.28
ECL - Simplified approach	-	-	-	-	57.43	57.43
Net carrying amount	-	12.85	-	-	-	12.85
As at April 01, 2017	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	0.02	-	-	57.40	57.42
ECL - Simplified approach	-	-	-	-	57.40	57.40
Net carrying amount	-	0.02	-	-	-	0.02

\*Includes receivables from stock exchanges / clearing house. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

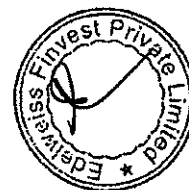


# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>12. Loans (at amortised cost)</b>			
<b>Term Loans;</b>			
Corporate credit	19,733.51	27,000.13	14,468.66
Retail credit	5,308.69	1,821.98	112.79
<b>Total gross</b>	<b>25,042.20</b>	<b>28,822.11</b>	<b>14,581.45</b>
Less: Impairment loss allowance (Refer note 12.A)	(481.65)	(844.68)	(217.78)
<b>Total net</b>	<b>24,560.55</b>	<b>27,977.43</b>	<b>14,363.67</b>
<b>Collateral :</b>			
<b>Secured by</b>			
Secured by tangible assets (property including land & building)	12,676.39	15,182.08	5,911.59
Secured by inventories, unlisted securities, project receivables & other marketable securities	9,688.87	13,101.19	6,030.49
Unsecured	2,676.94	538.84	2,639.37
<b>Total gross</b>	<b>25,042.20</b>	<b>28,822.11</b>	<b>14,581.45</b>
Less: Impairment loss allowance (Refer note 12.A)	(481.65)	(844.68)	(217.78)
<b>Total net</b>	<b>24,560.55</b>	<b>27,977.43</b>	<b>14,363.67</b>
<b>Loans in India</b>			
Public sector	-	-	-
Others	25,042.20	28,822.11	14,581.45
<b>Total gross</b>	<b>25,042.20</b>	<b>28,822.11</b>	<b>14,581.45</b>
Less: Impairment loss allowance (Refer note 12.A)	(481.65)	(844.68)	(217.78)
<b>Total net</b>	<b>24,560.55</b>	<b>27,977.43</b>	<b>14,363.67</b>



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 12.A Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48.D.1 and policies on ECL allowances are set out in Note 4.6

#### a) Credit quality of assets

	As at March 31, 2019			As at March 31, 2018			As at March 31, 2017					
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing												
High grade	20,102.42	-	-	20,102.42	25,283.62	-	-	25,283.62	11,805.51	-	-	11,805.51
Standard grade	-	4,828.65	-	4,828.65	-	3,032.29	-	3,032.29	-	2,775.94	-	2,775.94
Non-performing												
Individually impaired	-	-	111.13	111.13	-	-	506.20	506.20	-	-	-	-
	20,102.42	4,828.65	111.13	25,042.20	25,283.62	3,032.29	506.20	28,822.11	11,805.51	2,775.94	-	14,581.45

#### b) Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporate and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

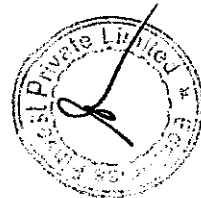
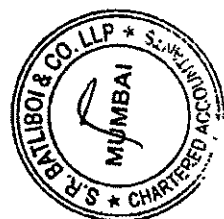
The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

#### Reconciliation / movement for the year ended March 31, 2019

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1 Gross Carrying Amount	Stage 2 Allowance for ECL	Stage 3 Gross carrying Amount	Stage 2 Gross carrying Amount	Stage 3 Allowance for ECL	Stage 3 Gross carrying Amount	Gross carrying Amount	Allowance for ECL
Opening Balance	25,283.62	268.33	3,032.29	83.06	506.20	493.29	28,822.11	844.68
Transfer of financial assets:								
Stage 2 to Stage 1	273.53	0.01	(273.53)	(0.01)	-	-	-	-
Stage 1 to Stage 2	(1,997.08)	(21.34)	1,997.08	21.34	-	-	-	-
Stage 1 to Stage 3	(106.84)	(0.62)	-	106.84	0.62	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	0.00	-	47.11	40.78	-	87.89	32.63
New assets originated / repayments received (net) *	(3,350.81)	26.65	72.81	4.16	(18.36)	(483.55)	(3,296.36)	(483.55)
Amounts written off	-	-	-	-	-	-	-	-
Closing Balance	20,102.42	273.03	4,828.65	155.66	111.13	52.96	25,042.20	481.65

\* Amount less than Rs. 50,000

\* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

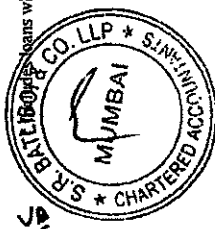
(Currency: Indian rupees in million)

## 12.A Credit quality of assets (continued)

Reconciliation / movement for the year ended March 31, 2018

Particulars	Non Credit Impaired			Credit Impaired		Total	
	Stage 1 Gross Carrying Amount	Stage 1 Allowance for ECL	Stage 2 Gross carrying Amount	Stage 2 Allowance for ECL	Stage 3 Gross carrying Amount	Stage 3 Allowance for ECL	Allowance for ECL
Opening Balance	11,805.52	99.75	2,775.94	118.03	-	14,581.46	217.78
Transfer of Financial Assets:							
Stage 2 to Stage 1	-	-	-	-	-	-	-
Stage 1 to Stage 2	-	-	-	-	-	-	-
Stage 1 to Stage 3	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-
New assets originated / repayments received (net) *	13,478.10	168.58	567.45	(28.50)	506.20	14,551.75	633.37
Amounts written off	-	-	(311.10)	(6.47)	-	(311.10)	(6.47)
ECL Allowance - Closing Balance	25,283.62	268.33	3,032.29	83.06	506.20	28,822.11	844.68

\* Represents the net of new assets originated and subsequently classified as stage 2 / stage 3 within the same year.



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**13. Investments**
**13.A Summary of Investments**

As at March 31, 2019	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	6.58	-	6.58	590.14	596.72
Preference Shares	-	-	37.27	-	37.27	-	37.27
Security receipts	-	-	845.69	-	845.69	-	845.69
Units of AIF	-	-	290.68	-	290.68	-	290.68
Units of venture fund	-	-	91.65	-	91.65	-	91.65
<b>TOTAL - Gross (A)</b>	-	-	1,271.87	-	1,271.87	590.14	1,862.01
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,271.87	-	1,271.87	590.14	1,862.01
<b>Total (B)</b>	-	-	1,271.87	-	1,271.87	590.14	1,862.01
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	1,271.87	-	1,271.87	590.14	1,862.01

As at March 31, 2018	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	3.63	-	3.63	590.14	593.77
Preference Shares	-	-	25.69	-	25.69	-	25.69
Security receipts	-	-	3,692.00	-	3,692.00	-	3,692.00
Units of AIF	-	-	223.67	-	223.67	-	223.67
Units of venture fund	-	-	82.37	-	82.37	-	82.37
<b>TOTAL - Gross (A)</b>	-	-	4,027.36	-	4,027.36	590.14	4,617.50
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	4,027.36	-	4,027.36	590.14	4,617.50
<b>Total (B)</b>	-	-	4,027.36	-	4,027.36	590.14	4,617.50
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	4,027.36	-	4,027.36	590.14	4,617.50

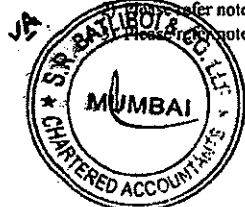
As at April 01, 2017	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	811.43	-	811.43	590.14	1,401.57
Preference Shares (refer note 1 below)	66.67	-	25.69	-	25.69	-	92.36
Security receipts	-	-	2,173.04	-	2,173.04	-	2,173.04
Units of AIF	-	-	29.16	-	29.16	-	29.16
Units of venture fund	-	-	52.75	-	52.75	-	52.75
Warrants	-	-	11.49	-	11.49	-	11.49
Units of mutual fund	-	-	98.66	-	98.66	-	98.66
<b>TOTAL - Gross (A)</b>	66.67	-	3,202.22	-	3,202.22	590.14	3,859.03
(i) Investments outside India	-	-	-	-	-	590.14	590.14
(ii) Investment in India	66.67	-	3,202.22	-	3,202.22	-	3,268.89
<b>Total (B)</b>	66.67	-	3,202.22	-	3,202.22	590.14	3,859.03
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	66.67	-	3,202.22	-	3,202.22	590.14	3,859.03

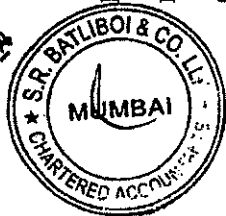
Notes:

1) No ECL is provided on the above preference shares, as they are issued by the same group company.

Please refer note 13.B - Investment details for further details

Please refer note 47 - Fair value measurement for valuation methodology





# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 13. Investments (continued)

### 13.B Investments in preference shares measured at amortised cost:

#### i) Credit quality of assets:

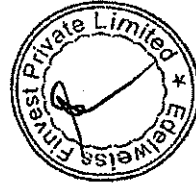
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48.D.1 and policies on ECL allowances are set out in Note 4.6

Particulars	March 31, 2019				March 31, 2018				April 01, 2017			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing	-	-	-	-	-	-	-	-	66.67	-	-	66.67
High grade	-	-	-	-	-	-	-	-	66.67	-	-	66.67

#### ii) Reconciliation of changes in gross carrying amount for investments in preference shares:

Particulars	March 31, 2019				March 31, 2018			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Gross carrying amount - opening balance	-	-	-	-	66.67	-	-	66.67
Unwinding of discount (recognised in interest income)	-	-	-	-	7.33	-	-	7.33
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	300.00	-	-	300.00
Assets derecognised or matured	-	-	-	-	(374.00)	-	-	(374.00)
Closing balance	-	-	-	-	-	-	-	-

No ECL is provided on the above preference shares, as they are issued by the same group company.



**Edelweiss Finvest Private Limited**

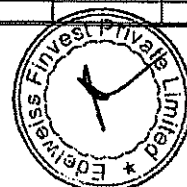
Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**13. Investments (continued)**
**13.B Scrip wise details of Investments**

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount
<b>Equity Instruments (Fully paid up)</b>									
<i>At fair value through profit and loss account</i>									
<i>Quoted</i>									
Gail (India) Limited	-	-	-	-	-	-	10	407,333	153.54
BSE Limited	-	-	-	-	-	-	1	298,000	291.34
<i>Unquoted</i>									
Tamilnad Mercantile Bank Limited	10	36,072	6.58	10	36,072	3.63	10	36,072	3.63
The Catholic Syrian Bank Limited	-	-	-	-	-	-	10	1,913,452	276.78
Vini Cosmetics Private Limited	-	-	-	-	-	-	10	51,969	86.14
<b>Total (A)</b>			<b>6.58</b>			<b>3.63</b>			<b>811.43</b>
<b>Equity Instruments (Fully paid up)</b>									
<i>At Cost</i>									
<b>Associate Companies</b>									
Edelweiss Retail Finance Limited	10	3,000,000	264.00	10	3,000,000	264.00	10	3,000,000	264.00
Edelweiss Asset Reconstruction Company Limited	10	15,254,550	326.14	10	15,254,550	326.14	10	15,254,550	326.14
<b>Total (B)</b>			<b>590.14</b>			<b>590.14</b>			<b>590.14</b>
<b>Preference Shares (Fully paid up)</b>									
<i>At fair value through profit and loss account</i>									
Zero coupon Series D non-cumulative compulsorily convertible preference shares of Bright Lifecare Private Limited	7,664	5,219	37.27	7,664	5,219	25.69	7,664	5,219	25.69
<i>At Amortised Cost</i>									
11% Non Cumulative Optionally convertible Preference shares of Edelweiss Broking Limited	-	-	-	-	-	-	10	374,000	66.67
<b>Total (C)</b>			<b>37.27</b>			<b>25.69</b>			<b>92.36</b>
<b>Securities Receipts</b>									
<i>At fair value through profit and loss account</i>									
EARC Trust SC 3	-	-	-	-	-	-	1,000	218,500	0.22
EARC Trust SC 6	-	-	-	1,000	218,500	88.08	1,000	218,500	88.08
EARC Trust SC 43	-	-	-	1,000	54,000	27.00	1,000	54,000	40.50
EARC Trust SC 55	-	-	-	1,000	46,800	23.40	1,000	46,800	35.10
EARC Trust SC 57	-	-	-	-	-	-	1,000	72,250	80.86
EARC Trust SC 109	-	-	-	1,000	524,900	662.71	1,000	633,500	630.38
EARC Trust SC 112	-	-	-	1,000	296,000	273.78	1,000	340,000	394.78
EARC Trust SC 177	1,000	124,750	122.41	1,000	124,750	119.82	1,000	124,750	115.74
EARC Trust SC 245	-	-	-	1,000	540,940	448.36	1,000	255,000	467.76
EARC Trust SC 229	-	-	-	1,000	255,000	191.25	1,000	534,650	255.00
EARC Trust SC 262 - Series 1	1,000	263,500	292.68	1,000	374,000	231.78	-	-	-
EARC Trust SC 297 - Series 1	1,000	331,820	358.55	1,000	895,914	934.79	-	-	-
EARC Trust SC 327 - Series 1	-	-	-	1,000	642,855	642.86	-	-	-
EARC Trust SC 337	1,000	90,567	57.93	-	-	-	-	-	-
EARC Trust SC 340	-	-	0.95	-	-	-	-	-	-
EARC SAF -3 Trust - Series 1	1,000	19,500	12.52	1,000	19,500	20.01	1,000	19,000	22.42
Edelweiss ARF-I Trust Scheme-1	-	-	-	1,000	56,728	23.49	1,000	56,728	35.24
Edelweiss ARF-I Trust Scheme-2	1,000	530	0.53	1,000	31,324	4.56	1,000	31,324	6.85
Edelweiss ARF-I Trust Scheme-3	1,000	40	0.04	1,000	43,899	0.04	1,000	43,899	0.04
Edelweiss ARF-I Trust Scheme-4	1,000	30	0.03	1,000	32,679	0.03	1,000	32,679	0.03
Edelweiss ARF-I Trust Scheme-5	1,000	40	0.04	1,000	35,370	0.04	1,000	35,750	0.04
<b>Total (D)</b>			<b>845.69</b>			<b>3,692.00</b>			<b>2,173.04</b>
<b>Units of AIF</b>									
<i>At fair value through profit and loss account</i>									
Edelweiss Private Equity Tech fund	100,000	568.94	80.41	100,000	568.94	62.12	100,000	291.60	29.16
Edelweiss Value and Growth Fund	100,000	1,952.35	210.27	100,000	1,592.65	161.55	-	-	-
<b>Total (E)</b>			<b>290.68</b>			<b>223.67</b>			<b>29.16</b>
<b>Units of venture fund</b>									
<i>At fair value through profit and loss account</i>									
KAE Capital Fund (India)	100,000	50	31.44	100,000	50.00	29.49	100,000	50.00	6.23
KAE Capital Fund II (India)	100,000	650	60.21	100,000	433.33	52.88	100,000	433.33	46.52
<b>Total (F)</b>			<b>91.65</b>			<b>82.37</b>			<b>52.75</b>
<b>Others - Warrants</b>									
<i>At fair value through profit and loss account</i>									
Kompass Capital Advisors Private Limited.	-	-	-	-	-	-	100	50,000	5.00
AT InvoFin India Pvt. Ltd. (Rs 2.5 paid up)	-	-	-	10	320,000	-	10	320,000	-
Bharti Shipyard Limited (Rs 5.5 paid up)	10	2,647,313	-	10	2,647,313	-	10	2,647,313	6.49
<b>Total (G)</b>									<b>11.49</b>
<b>Mutual Funds</b>									
<i>At fair value through profit and loss account</i>									
Reliance Money Manager Fund - Direct - Growth	-	-	-	-	-	-	1,000	34,927	98.66
<b>Total (H)</b>									<b>98.66</b>
<b>Total (A+B-C+D+E+F+G+H)</b>			<b>1,862.01</b>			<b>4,617.50</b>			<b>3,859.03</b>

Refer note 9 - Fair value measurement for valuation methodologies for investments



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 14. Other financial assets

Margin placed with broker (refer note 9.A)  
Accrued interest on margin  
Dividend receivable  
Other receivables  
Deposits- others

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Margin placed with broker (refer note 9.A)	666.34	19.33	396.26
Accrued interest on margin	1.78	-	-
Dividend receivable	-	-	46.94
Other receivables	-	-	16.46
Deposits- others	-	-	1.00
	<b>668.12</b>	<b>19.33</b>	<b>460.66</b>

## 15. Current tax assets (net)

Advance income taxes

(Net of provision for tax Rs. 251.69 million, March 31, 2018 Rs. 357.11 million and April 1, 2017 Rs. 251.92 million)

Advance income taxes	147.32	146.82	106.05
	<b>147.32</b>	<b>146.82</b>	<b>106.05</b>

## 16. Deferred tax assets (net)

### Deferred tax assets

#### Loans

Provision for expected credit loss

168.31 303.74 182.69

#### Investments and other financial instruments

Long term capital loss

21.39 17.39 -

Unrealised loss on derivative transactions

0.50 5.93 11.99

Unrealised loss on investments

6.04 36.93 11.38

#### Employee benefit obligations

Disallowances under section 43B of the Income Tax Act, 1961

5.21 0.82 32.70

#### Fair valuation of employee stock options

- 8.54 2.42

#### Borrowings

Adjustment of effective interest rate on borrowings

66.83 64.69 -

**268.28 438.04 241.18**

### Deferred tax liabilities

#### Property, plant and equipment and intangibles

Difference between book and tax depreciation

0.37 0.07 0.08

#### Investments and other financial instruments

Unrealised gain on derivative transactions

22.16 0.68 9.89

Unrealised gain on investments

131.53 108.17 157.20

#### Borrowings

Adjustment of effective interest rate on Borrowings

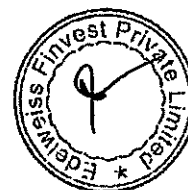
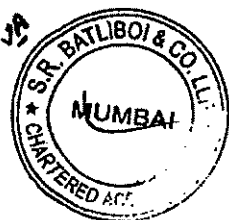
- - 22.11

#### Others

- 42.15 -

**154.06 151.07 189.28**

**114.22 286.97 51.90**





# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

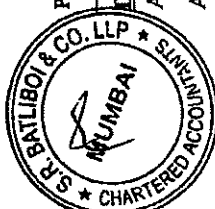
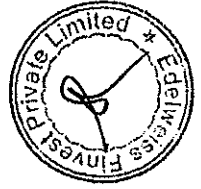
(Currency: Indian rupees in million)

## 17. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment				Intangible Assets	
	Building (Flat) <sup>s</sup>	Vehicles	Office equipment	Computers	Computer Software	Total
<b>Deemed cost*</b>						
As at April 1, 2017	1.10	-	-	-	-	1.10
Additions	-	-	-	0.14	-	0.14
Disposals	-	-	-	-	-	-
as at March 31, 2018	1.10	-	-	0.14	-	1.24
Additions	-	0.80	-	0.40	6.93	8.13
Disposals	-	(0.80)	-	-	-	(0.80)
as at March 31, 2019	1.10	-	-	0.54	6.93	8.57
<b>Depreciation / Amortisation:</b>						
As at April 1, 2017*	-	-	-	-	-	-
Depreciation/amortisation for the year	0.05	-	-	0.06	-	0.11
Disposals	-	-	-	-	-	-
as at March 31, 2018	0.05	-	-	0.06	-	0.11
Depreciation/amortisation for the year	0.05	0.13	-	0.13	0.58	0.89
Disposals	-	(0.13)	-	-	-	(0.13)
as at March 31, 2019	0.10	-	-	0.19	0.58	0.87
<b>Net Book Value</b>						
As at April 01, 2017	1.10	-	-	-	-	1.10
As at March 31, 2018	1.05	-	-	0.08	-	1.13
As at March 31, 2019	1.00	-	-	0.35	6.35	7.70

\* Charge against secured redeemable non-convertible debentures (Refer note 20.A)

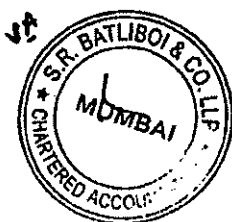
\*The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>18. Other non-financial assets</b> (Unsecured considered good, unless stated otherwise)			
Input tax credit	100.20	55.69	7.97
Prepaid expenses	0.50	0.50	1.76
Vendor Advances	0.85	2.70	6.32
Advances recoverable in cash or in kind or for value to be received	-	-	0.01
Advances to employees	0.01	0.01	0.01
Others	-	-	1.03
	<b>101.56</b>	<b>58.90</b>	<b>17.10</b>
<b>19. Trade Payables</b>			
Payable to :			
Trade payables to non-related parties (includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)	84.44	45.66	49.50
Trade payables to related parties	239.45	299.88	24.85
	<b>323.89</b>	<b>345.54</b>	<b>74.35</b>
<b>19.A Details of dues to micro and small enterprises</b>			
Trade Payables includes Rs.Nil (March 31, 2018: Rs.Nil; March 31, 2017: Rs Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.			
<b>20. Debt securities</b>			
At amortised cost (Refer note 20.A and 20.B)			
<u>Secured</u>			
Non-convertible redeemable debentures			
Privately placed	3,487.74	3,475.51	1,823.41
Benchmark linked debentures	15,798.30	12,373.73	10,282.32
<u>Unsecured</u>			
Non-convertible redeemable debentures			
Privately placed	-	-	291.66
Benchmark linked debentures	2,989.72	2,121.52	548.25
	<b>22,275.76</b>	<b>17,970.76</b>	<b>12,945.64</b>
Debt Securities in India	22,275.76	17,970.76	12,945.64
Debt Securities outside India	-	-	-
	<b>22,275.76</b>	<b>17,970.76</b>	<b>12,945.64</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 20 Debt securities (continued)

### 20.A Details of debt securities :

#### Secured non-convertible redeemable debentures

##### Privately placed:

Privately placed debentures are secured by charge on immovable property and floating charge on receivables from financing business, securities held for trading.

#### Benchmark linked debentures

Benchmark linked debentures are secured by way of a pari passu mortgage and charge over the mortgage premises, a charge on the receivables from financing business and securities held for trading and corporate guarantee from the ultimate holding company.

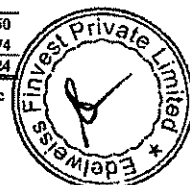
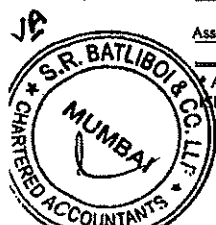
In case of benchmark linked debentures, the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level (s).

### 20.B Maturity profile and rate of interest of debt securities are set out below:

Maturity Month	Secured Benchmark Linked Debentures			Unsecured Benchmark Linked Debentures		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Apr-2017	-	-	99.50	-	-	-
May-2017	-	-	106.00	-	-	-
Jun-2017	-	-	18.00	-	-	-
Jul-2017	-	-	25.00	-	-	-
Aug-2017	-	-	108.00	-	-	-
Sep-2017	-	-	243.00	-	-	-
Oct-2017	-	-	670.20	-	-	-
Nov-2017	-	-	61.50	-	-	-
Dec-2017	-	-	180.00	-	-	-
Jan-2018	-	-	381.10	-	-	-
Feb-2018	-	-	121.00	-	-	-
Mar-2018	-	-	1,816.50	-	-	-
Apr-2018	-	91.00	81.00	-	-	-
May-2018	-	563.30	563.30	-	-	-
Jun-2018	-	264.00	264.00	-	-	-
Jul-2018	-	549.00	474.00	-	-	-
Aug-2018	-	2,344.30	114.20	-	200.00	-
Sep-2018	-	405.30	142.80	-	15.00	-
Oct-2018	-	1,098.00	98.00	-	-	-
Nov-2018	-	28.50	38.50	-	-	-
Dec-2018	-	335.00	335.00	-	-	-
Jan-2019	-	140.20	140.20	-	-	-
Feb-2019	-	47.50	47.50	-	-	-
Mar-2019	-	337.00	225.00	-	-	-
Apr-2019	95.60	147.10	147.10	-	-	-
May-2019	652.90	658.10	658.10	-	-	-
Jun-2019	108.00	118.00	108.00	-	-	-
Jul-2019	287.00	298.00	234.50	-	-	-
Aug-2019	227.30	230.10	42.60	10.00	10.00	-
Sep-2019	724.70	184.90	59.90	10.00	10.00	-
Oct-2019	3,060.30	97.00	57.00	-	-	-
Nov-2019	30.00	36.00	30.00	-	-	-
Jan-2020	177.90	180.50	180.50	-	-	-
Feb-2020	129.50	132.00	132.00	-	-	-
Mar-2020	770.90	199.10	199.10	50.00	50.00	50.00
Apr-2020	-	-	10.00	-	-	-
May-2020	119.00	119.00	119.00	-	-	-
Jun-2020	544.40	546.40	544.40	-	-	-
Jul-2020	1,085.30	446.50	364.00	-	-	-
Aug-2020	108.00	108.00	10.00	380.00	380.00	380.00
Sep-2020	325.50	325.50	60.00	10.00	10.00	-
Oct-2020	45.50	57.50	-	32.50	32.50	-
Nov-2020	-	-	-	10.00	10.00	-
Dec-2020	10.00	12.00	-	20.00	20.00	-
Jan-2021	-	10.00	-	-	-	-
Jul-2021	434.90	94.50	-	-	-	-
Sep-2021	874.00	212.50	50.00	-	-	-
Oct-2021	-	-	-	280.00	-	-
Dec-2021	12.50	-	-	-	-	-
Jan-2022	27.50	15.00	15.00	28.50	28.50	28.50
Feb-2022	760.80	650.30	17.50	10.00	10.00	10.00
Mar-2022	1,143.00	3.00	3.00	-	-	-
May-2022	271.50	4.00	-	-	-	-
Jun-2022	2,348.60	-	-	-	-	-
Aug-2022	47.90	-	-	-	-	-
Sep-2022	10.00	-	-	-	-	-
Mar-2024	300.00	300.00	300.00	-	-	-
Jun-2027	170.00	170.00	-	-	-	-
Jan-2027	-	-	-	40.00	40.00	40.00
Jan-2028	-	-	-	1,924.00	1,235.00	-
Associated accruals *	14,902.50	11,558.10	9,695.00	2,805.00	2,051.00	508.50
Total	15,798.30	12,373.73	10,282.32	184.72	70.52	39.74
				2,989.72	2,121.52	548.24

\* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date for respective INs.



**Edelweiss Finvest Private Limited**

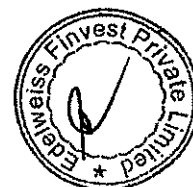
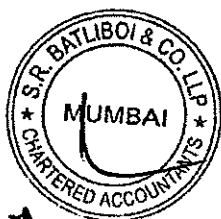
Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**20. Debt securities (continued)****20.B Maturity profile and rate of interest of debt securities are set out below:**

Maturity Month	Secured non convertible debentures Amount outstanding as at			Unsecured non convertible debentures Amount outstanding as at		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Rate of Interest	9.10% p.a.	9.10% p.a.	10.65% p.a.	-	-	17.00% p.a.
Dec-2017	-	-	-	-	-	268.87
Mar-2018	-	-	1,500.00	-	-	-
Apr-2019	3,500.00	3,500.00	-	-	-	-
	3,500.00	3,500.00	1,500.00	-	-	268.87
Associated accruals *	(12.26)	(24.49)	323.41	-	-	22.79
<b>Total</b>	<b>3,487.74</b>	<b>3,475.51</b>	<b>1,823.41</b>	<b>-</b>	<b>-</b>	<b>291.66</b>

\* Associated accruals include interest accrued & effective interest rate amortisation, Interest accrued but not due is payable on next interest payment date for respective ISINs.



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

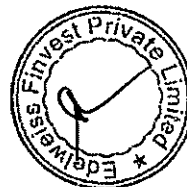
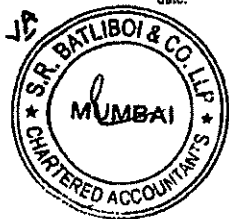
(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>21. Borrowings other than Debt Securities*</b>			
<i>At amortised cost</i>			
<u>Secured</u>			
Term loan from bank	324.78	424.63	-
(First Pari Passu charge on the current assets of the Company which includes trade and other receivables, loans and cash and cash equivalents with Letter of Comfort) (Refer note 21.A)			
<u>Unsecured</u>			
Inter corporate loan from others	12.40	12.21	12.01
(Repayable on demand, carry interest at 5.5% p.a., March 31, 2018 5.5% p.a., March 31, 2017 5.5% p.a.)			
Loan and advances from related parties	-	7,761.96	-
(Repayable on demand, carry interest at 10% p.a. (Previous year 9% p.a.))			
	<b>337.18</b>	<b>8,198.80</b>	<b>12.01</b>
Borrowings in India	337.18	8,198.80	12.01
Borrowings outside India	-	-	-
	<b>337.18</b>	<b>8,198.80</b>	<b>12.01</b>

**21.A Details of Borrowings other than Debt Securities**

Maturity Month	Loan from banks - Amount outstanding as at		
	March 31, 2019	March 31, 2018	March 31, 2017
Rate of interest	9.70% p.a.	8.55% p.a.	-
Jun-2018	-	25.00	-
Sep-2018	-	25.00	-
Dec-2018	-	25.00	-
Mar-2019	-	25.00	-
Jun-2019	25.00	25.00	-
Sep-2019	25.00	25.00	-
Dec-2019	25.00	25.00	-
Mar-2020	25.00	25.00	-
Jun-2020	25.00	25.00	-
Sep-2020	25.00	25.00	-
Dec-2020	25.00	25.00	-
Mar-2021	25.00	25.00	-
Jun-2021	25.00	25.00	-
Sep-2021	25.00	25.00	-
Dec-2021	25.00	25.00	-
Jun-2022	25.00	25.00	-
Mar-2022	25.00	25.00	-
	325.00	425.00	-
Associated accruals *	(0.22)	(0.37)	-
<b>Total</b>	<b>324.78</b>	<b>424.63</b>	<b>-</b>

\* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date.



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>22. Subordinated Liabilities</b>			
<i>At amortised cost</i>			
<i>(Refer note 22.A)</i>			
<u>Unsecured</u>			
Subordinated debentures			
Privately placed redeemable non-convertible debentures	161.17	161.26	161.12
	<b>161.17</b>	<b>161.26</b>	<b>161.12</b>
Subordinated liabilities in India	161.17	161.26	161.12
Subordinated liabilities outside India	-	-	-
	<b>161.17</b>	<b>161.26</b>	<b>161.12</b>

**22.A Maturity profile and rate of interest of subordinated liabilities are set out below:**

Maturity Month	Unsecured subordinated liabilities - Interest Rate 11.00 % p.a. Amount outstanding as at		
	March 31, 2019	March 31, 2018	March 31, 2017
Jul-2025	150.00	150.00	150.00
	150.00	150.00	150.00
Add: interest accrued*	11.17	11.26	11.12
Total	<b>161.17</b>	<b>161.26</b>	<b>161.12</b>

\* Interest accrued but not due is payable on next interest payment date.

**23. Other financial liabilities**

Accrued salaries and benefits	20.05	16.54	51.74
Bank overdraft	2.69	-	6.91
	<b>22.74</b>	<b>16.54</b>	<b>58.65</b>

**24. Current tax liabilities (net)**

Provision for taxation (Net of advance tax Rs. 1,306.23, March 31, 2018 Rs. 672.51 million, April 01, 2017 Rs. 577.28 million)	263.93	252.98	42.59
	<b>263.93</b>	<b>252.98</b>	<b>42.59</b>

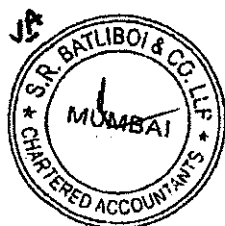
**25. Provisions**

Provision for employee benefits			
Gratuity (Refer note 37.A)	12.66	2.11	0.85
Compensated leave absences	2.24	0.25	0.83
	<b>14.90</b>	<b>2.36</b>	<b>1.68</b>

**26. Other non-financial liabilities**

Statutory liabilities*	36.94	18.17	4.57
Others	5.13	0.48	0.48
	<b>42.07</b>	<b>18.65</b>	<b>5.05</b>

\* Includes withholding taxes, profession tax and other statutory dues payables



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

27. Equity share capital	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Authorised :						
Equity Shares of Rs.10 each	35,000,000	350.00	35,000,000	350.00	11,500,000	115.00
Preference Shares of Rs.10 each	-	-	-	-	23,500,000	235.00
	<b>35,000,000</b>	<b>350.00</b>	<b>35,000,000</b>	<b>350.00</b>	<b>35,000,000</b>	<b>350.00</b>
Issued, Subscribed and Paid up:						
Equity Shares of Rs.10 each	33,325,875	333.26	33,325,875	333.26	2,805,998	28.06
	<b>33,325,875</b>	<b>333.26</b>	<b>33,325,875</b>	<b>333.26</b>	<b>2,805,998</b>	<b>28.06</b>

### 27.A Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	33,325,875	333.26	2,805,998	28.06	2,805,998	28.06
Shares issued during the year	-	-	30,519,877	305.20	-	-
Outstanding at the end of the year	<b>33,325,875</b>	<b>333.26</b>	<b>33,325,875</b>	<b>333.26</b>	<b>2,805,998</b>	<b>28.06</b>

#### Notes:

During the financial year 2017-18 the Company has issued 8,279,275 fully paid-up equity shares of Rs.10 each at a premium of Rs 168.35 each aggregating to Rs. 1,476.61 million to Edelweiss Financial Services Limited as part of consideration for acquisition of lending & investment business of Edelweiss Finance & Investments Limited (refer note 51.1)

During the financial year 2017-18, the Company has issued 22,240,602 fully paid-up equity shares of Rs.10 each at par aggregating to Rs. 222.41 million for conversion of preference shares in to equity.

### 27.B Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

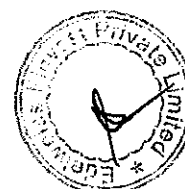
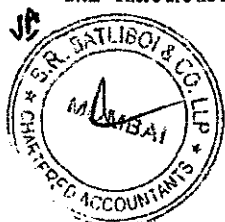
### 27.C Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Ultimate Holding company						
Edelweiss Financial Services Limited	8,279,275	24.84%	8,279,275	24.84%	-	-
Holding company						
ECap Equities Limited	22,459,720	67.39%	22,459,720	67.39%	1,700,812	60.61%
Fellow subsidiary company						
Edelweiss Securities Limited	1,259,394	3.78%	1,259,394	3.78%	1,105,186	39.39%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	1,327,486	3.98%	1,327,486	3.98%	-	-
	<b>33,325,875</b>	<b>100.00%</b>	<b>33,325,875</b>	<b>100.00%</b>	<b>2,805,998</b>	<b>100.00%</b>

### 27.D Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
ECap Equities Limited	22,459,720	67.39%	22,459,720	67.39%	1,700,812	60.61%
Edelweiss Financial Services Limited	8,279,275	24.84%	8,279,275	24.84%	-	-
Edelweiss Securities Limited	-	-	-	-	1,105,186	39.39%
	<b>30,738,995</b>	<b>92.24%</b>	<b>30,738,995</b>	<b>92.24%</b>	<b>2,805,998</b>	<b>100.00%</b>

### 27.E There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 28. Instruments entirely equity in nature

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Issued, Subscribed and Paid up:						
Compulsorily convertible non-cumulative preference shares						
a) Series A	-	-	-	-	333,700	3.34
b) Series B	-	-	-	-	11,345,363	113.45
c) Series C	-	-	-	-	10,561,539	105.62
	-	-	-	-	22,240,602	222.41

## 28.A Reconciliation of number of shares

### a) 0.01% Compulsorily convertible non-cumulative preference shares - Series A

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	333,700	3.34	800,000	8.00
Less: Shares cancelled on account of demerger (Refer note 51.1)	-	-	-	-	466,300	4.66
Less: Shares converted into equity shares	-	-	333,700	3.34	-	-
Outstanding at the end of the year	-	-	-	-	333,700	3.34

### b) 0.01% Compulsorily convertible non-cumulative preference shares - Series B

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	11,345,363	113.45	11,345,363	113.45
Less: Shares converted into equity shares	-	-	11,345,363	113.45	-	-
Outstanding at the end of the year	-	-	-	-	11,345,363	113.45

### c) 0.01% Compulsorily convertible non-cumulative preference shares - Series C

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	10,561,539	105.62	10,561,539	105.62
Less: Shares converted into equity shares	-	-	10,561,539	105.62	-	-
Outstanding at the end of the year	-	-	-	-	10,561,539	105.62

## 28.B Terms/rights attached to preference shares :

### a) Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series A (CCPS - A)

The tenure of CCPS-A was upto 31 December 2017. With the required consent of the CCPS-A holders, the term of issue of the CCPS-A had been changed and accordingly the holders of CCPS-A can convert any or all the CCPS-A held by them into 1 equity share of the Company of Rs.10 each at par. All the CCPS-A outstanding as on 31 December 2017 have been converted into equity shares.

### b) Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series B (CCPS - B)

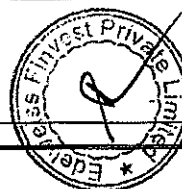
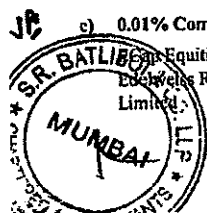
The tenure of CCPS-B was upto 31 December 2017. During the term of the CCPS-B, the holder can convert any or all the CCPS-B held by them into 1 equity share of the Company of Rs. 10 each at face value. All the CCPS-B outstanding as on 31 December 2017 have been converted into equity shares.

### c) Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series C (CCPS - C)

The tenure of CCPS-C was upto 31 March 2018. During the term of the CCPS-C, the holder can convert any or all the CCPS-C held by them into 1 equity share of the Company of Rs. 10 each at face value. All the CCPS-C outstanding as on 31 March 2018 have been converted into equity shares.

## 28.C Details of preference shareholders holding more than 5% shares in the company:

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding in the class	No of shares	% holding in the class	No of shares	% holding in the class
a) 0.01% Compulsorily convertible non-cumulative preference shares - Series A						
Edelweiss Rural & Corporate Services Limited	-	-	-	-	179,492	53.79
Edelweiss Securities Limited	-	-	-	-	154,208	46.21
	-	-	-	-	333,700	100.00
b) 0.01% Compulsorily convertible non-cumulative preference shares - Series B						
ECap Equities Limited	-	-	-	-	11,345,363	100.00
	-	-	-	-	11,345,363	100.00
c) 0.01% Compulsorily convertible non-cumulative preference shares - Series C						
ECap Equities Limited	-	-	-	-	9,413,545	89.13
Edelweiss Rural & Corporate Services Limited	-	-	-	-	1,147,994	10.87
	-	-	-	-	10,561,539	100.00





**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**29. Other Equity**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a. Capital redemption reserve	84.34	84.34	84.34
b. Securities premium reserve	3,915.88	3,752.55	3,743.44
c. Statutory reserve	1,142.60	801.00	534.56
d. Retained earnings	4,686.64	3,329.99	2,226.42
e. Deemed capital contribution - Equity	2.25	2.25	0.68
f. Share capital pending allotment on account of merger (refer note 51.1)	-	-	82.79
	<b>9,831.71</b>	<b>7,970.13</b>	<b>6,672.23</b>

**29.A Nature and purpose of Reserves****a. Capital redemption reserve**

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.

**b. Securities premium reserve**

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.

**c. Statutory reserve**

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**d. Retained earnings**

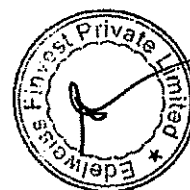
Retained earnings comprises of the Company's undistributed earnings after taxes.

**e. Deemed capital contribution - Equity**

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

**f. Share capital pending allotment on account of merger**

Shares allotted to the equity shareholders of Edelweiss Finance & Investments Limited pursuant to the merger of its lending and investment business with the Company (refer note 51.1).



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**29.B Movement in other equity**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>a. Capital redemption reserve</b>			
Opening balance	84.34	84.34	84.34
Add : Additions during the year	-	-	-
	<u>84.34</u>	<u>84.34</u>	<u>84.34</u>
<b>b. Securities premium reserve</b>			
Opening balance	3,752.55	3,743.44	2,461.53
Add : Premium Received on issue of Debentures	163.33	9.11	-
Add : Addition on account of merger (Refer note 51.1)	-	-	1,393.82
Less: Reduction on account of cancellation of preference shares acquired due to merger (Refer note 51.1)	-	-	(111.91)
	<u>3,915.88</u>	<u>3,752.55</u>	<u>3,743.44</u>
<b>c. Statutory reserve</b>			
Opening balance	801.00	534.56	441.94
Add : Reserve created for the year	341.60	266.44	92.62
	<u>1,142.60</u>	<u>801.00</u>	<u>534.56</u>
<b>d. Retained earnings</b>			
Opening balance	3,329.99	2,226.42	1,690.93
Add: Profit for the year	1,708.02	1,063.84	463.10
Less/Add : Other comprehensive income	(1.23)	0.05	-
Less/Add : Income tax effect of ESOPs	(8.54)	6.12	2.42
Add/Less : Deemed distribution during the year	-	300.00	(327.81)
Add: Impact on first time adoption of Ind AS	-	-	204.39
Add : Profit on account of merging business from the appointed date (refer note 51.1)	-	-	286.01
	<u>5,028.24</u>	<u>3,596.43</u>	<u>2,319.04</u>
<b>Amount available for appropriation</b>			
Appropriations:			
Transfer to statutory reserve	(341.60)	(266.44)	(92.62)
	<u>(341.60)</u>	<u>(266.44)</u>	<u>(92.62)</u>
	<u>4,686.64</u>	<u>3,329.99</u>	<u>2,226.42</u>
<b>e. Deemed capital contribution - Equity</b>			
Opening balance	2.25	0.68	-
Add : ESOPs charged during the year	-	1.57	0.68
	<u>2.25</u>	<u>2.25</u>	<u>0.68</u>
<b>f. Share capital pending allotment on account of merger</b>			
Opening balance	-	82.79	-
Add: Consideration payable on merger (refer note 51.1)	-	-	82.79
Less: Issue of equity shares	-	(82.79)	-
	<u>-</u>	<u>-</u>	<u>82.79</u>
<b>Total = (a+b+c+d+e+f)</b>	<u>9,831.71</u>	<u>7,970.13</u>	<u>6,672.23</u>



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**30. Interest Income****on financial assets measured at amortised cost**

Interest on loans	4,654.55	3,170.81
Interest on fixed deposits with banks	5.71	4.05
Interest income on preference shares	-	7.33
Other interest Income		
On margin with brokers	1.86	3.46
On others	-	0.25

**on financial assets measured at fair value through profit or loss**

Interest income on debt securities	40.49	26.39
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<b>4,702.61</b>	<b>3,212.29</b>
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**31. Dividend Income**

Dividend on securities held for trading	170.11	758.16
Dividend on investment	0.07	4.00

<b>170.18</b>	<b>762.16</b>
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**32. Fee Income**

Processing and other fees	119.39	84.75
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<b>119.39</b>	<b>84.75</b>
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**33. Net gain on fair value changes (including treasury income)****Net gain/ (loss) on financial instruments at fair value through profit or loss**

On investments and securities held for trading	(161.30)	(789.25)
On derivatives financial instrument	47.24	(49.65)
On security receipts	379.66	654.06

<b>265.60</b>	<b>(184.84)</b>
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**Fair value changes**

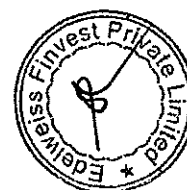
Realised	97.87	741.15
Unrealised	167.73	(925.99)

<b>265.60</b>	<b>(184.84)</b>
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**34. Other income**

Miscellaneous income	0.01	-
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<b>0.01</b>	<b>-</b>
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# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>35. Finance costs</b>		
<b>On financial liabilities measured at amortised cost</b>		
Interest on borrowings other than debt securities	456.46	191.96
Interest on debt securities	1,633.64	1,171.38
Interest on subordinated liabilities	16.45	16.64
Other finance cost and bank charges	157.46	124.51
	<b>2,264.01</b>	<b>1,504.49</b>
<b>36. Impairment on financial instruments</b>		
<b>On financial instruments measured at amortised cost</b>		
<b>Expected credit loss</b>		
Loans (including undrawn commitments)	120.52	917.41
Trade receivables	(0.93)	0.02
	<b>119.59</b>	<b>917.43</b>
<b>37. Employee benefits expense</b>		
Salaries and wages (refer note 38.D)	101.24	33.25
Contribution to provident and other funds	6.16	0.95
Expense on Employee Stock Option Scheme (ESOP) (refer note below)	4.65	1.57
Staff welfare expenses	0.71	0.33
	<b>112.76</b>	<b>36.10</b>

### Notes:

Edelweiss Financial Services Limited ("EFSL") the holding Company 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.

### 37.A Employee Benefits

#### a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 3.56 million (Previous year : Rs. 0.55 million) for provident fund and other contributions in the Statement of profit and loss.

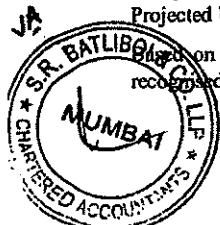
The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

#### b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

On the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amount recognised in the Company's financial statements as at balance sheet date:



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**37.A Employee Benefits (continued)**
**b) Defined benefit plan - Gratuity**
**Movement in defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for defined benefit liability and its components:

Particulars	Defined Benefit obligation	
	March 31, 2019	March 31, 2018
<b>Opening Balance</b>	<b>2.11</b>	0.85
Current service cost	1.95	0.21
Interest cost	0.64	0.13
	<b>4.70</b>	1.19
<b>Other comprehensive Income</b>		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience	1.67	(0.01)
Financial assumptions	0.22	(0.07)
	<b>1.89</b>	(0.08)
<b>Others</b>		
Transfer In/ (Out)	6.69	1.00
Benefits paid	(0.62)	-
<b>Closing Balance</b>	<b>12.66</b>	2.11

**Components of defined benefit plan cost:**

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
<b>Recognised in Statement of profit or loss</b>		
Current service cost	1.95	0.21
Interest cost	0.64	0.13
<b>Total</b>	<b>2.59</b>	0.34
<b>Recognised in other comprehensive Income</b>		
Remeasurement of net defined benefit liability/(asset)	1.89	(0.08)
<b>Total</b>	<b>1.89</b>	(0.08)

**Actuarial assumptions:**

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Discount Rate	7.00%	7.30%	6.80%
Salary Growth Rate	7.00%	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	13% - 25%	13% - 25%	13% - 25%
Interest Rate on Net DBO (% p.a.)	7.30%	6.80%	7.40%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Expected weighted average remaining working lives of employees	5	6	6

**Notes:**

- a) The discount rate are based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities.  
 b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.  
 c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

**Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.81	(0.74)	0.14	(0.13)
Discount Rate (+/- 1%)	(0.73)	0.82	(0.13)	0.14
Withdrawal Rate (+/- 1%)	(0.05)	0.05	-	-

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

**c) Compensated absences :**

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>38. Other expenses</b>		
Advertisement and business promotion	0.05	0.27
Auditors' remuneration (refer note 38.A)	1.78	1.79
Commission and brokerage	31.33	9.96
Communication	1.43	0.73
Directors' sitting fees	0.51	0.26
Insurance	-	0.02
Legal and professional fees	79.38	100.44
Printing and stationery	0.01	0.10
Rates and taxes	3.66	5.97
Rent (refer note 38.C and 38.D)	8.93	1.37
Repairs and maintenance (refer note 38.D)	0.11	0.47
Electricity charges (refer note 38.D)	0.89	0.64
Computer software	0.23	0.49
Corporate social responsibility -Donation (refer note 38.B)	5.00	-
Clearing & custodian charges	0.16	0.16
Rating support fees	0.18	0.21
Membership and subscription	0.03	0.10
Office expenses	53.30	19.22
ROC Expenses	0.07	0.05
Seminar & Conference	-	0.02
Goods & Service tax expenses	27.73	(24.54)
Stamp duty	(5.80)	15.74
Travelling and conveyance	4.97	0.48
Miscellaneous expenses	1.50	0.85
Housekeeping and security charges (refer note 38.D)	2.03	0.04
	<b>217.48</b>	<b>134.84</b>

## 38.A Auditors' remuneration:

As a Auditor		
Audit fees	1.36	0.50
Limited Review	0.39	0.88
Certification and Consultation	-	0.12
Reimbursement of expenses	0.03	0.29
	<b>1.78</b>	<b>1.79</b>

## 38.B Details of CSR Expenditure:

Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.

	23.94	-
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	5.00	-
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	<b>5.00</b>	<b>-</b>
Amount paid to EdelGive Foundation (refer note 43 related party disclosure)	5.00	-
Paid to external parties	-	-
	<b>5.00</b>	<b>-</b>

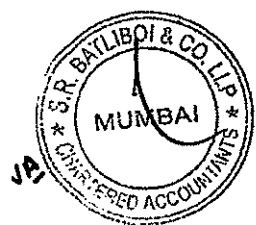
The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 225.19 million (Previous year: Rs. 177.84 million) (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended 31 March 2019, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2019.

## 38.C Operating leases

The Company has not taken premises on operating lease. Rental expenses for the year ended 31 March 2019 aggregated to Rs. 8.93 million (Previous year: Rs. 1.37 million) which has been included under the head other expenses – Rent in the Statement of profit and loss are allocations from the fellow subsidiaries.

## 38.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 37 and 38 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 11.51 million (previous year Rs. 1.96 million).



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

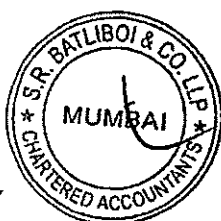
(Currency: Indian rupees in million)

**39. Income Tax****Component of income tax expenses**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	680.12	374.84
Adjustment in respect of current income tax of prior years	(9.95)	103.06
Deferred tax relating to temporary differences	164.87	(260.35)
<b>Total tax charge for the year (refer note 39.A)</b>	<b>835.04</b>	<b>217.55</b>
<b>Current tax</b>	<b>670.17</b>	<b>477.90</b>
<b>Deferred tax (refer note 39.B)</b>	<b>164.87</b>	<b>(260.35)</b>

**39.A The income tax expenses for the year can be reconciled to the accounting profit as follows:**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Profit / (Loss) before taxes</b>	<b>2,543.06</b>	<b>1,281.39</b>
Statutory Income Tax rate	34.94%	34.61%
<b>Tax charge at statutory rate</b>	<b>888.65</b>	<b>443.46</b>
Adjustment in respect of current income tax of prior year	(9.95)	103.06
<b>Tax effect of :</b>		
Income / Items not subject to tax or chargeable at lower tax rate		
Dividend Income	(59.47)	(263.76)
Sale of non current investments	-	(6.98)
<b>Non deductible expenses</b>		
Effect of indexed cost being available as deduction	-	(92.10)
Others	8.16	3.20
<b>Impact of tax rate changes (between two accounting periods)</b>	<b>6.90</b>	<b>8.87</b>
<b>Impact of certain items being taxed at different rates - capital gains</b>	<b>-</b>	<b>12.70</b>
<b>Others</b>		
Profit from EARC Trusts (taxed on realisation)	0.75	9.10
<b>Current Tax Expenses Reported in Statement of Profit and Loss</b>	<b>835.04</b>	<b>217.55</b>
<b>Effective Income Tax Rate</b>	<b>32.84%</b>	<b>16.98%</b>



Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

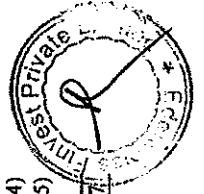
## 39.B Movement of Deferred Tax assets

## Financial Year 2018-19

	As on March 31, 2018	Movement for the period (2018-19)			As on March 31, 2019
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Total movement
<b>Deferred tax assets</b>					
Employee benefits obligations	0.82	3.73	0.66	-	4.39
Effective interest rate on financial liabilities	64.69	2.14	-	-	2.14
Tax break on employee stock option scheme	8.54	-	-	(8.54)	(8.54)
Expected credit loss provision	303.74	(135.43)	-	-	(135.43)
Unused tax losses	17.39	4.00	-	-	4.00
					21.39
<b>Deferred tax liabilities</b>					
Property, plant and equipment & intangible assets	(0.07)	(0.30)	-	-	(0.30)
Fair valuation of financial assets	(71.24)	(54.25)	-	-	(54.25)
Fair valuation of derivatives	5.25	(26.91)	-	-	(26.91)
Others	(42.15)	42.15	-	-	42.15
					(0.37)
					(125.49)
					(21.66)
					-
<b>Deferred Tax Asset (net)</b>	<b>286.97</b>	<b>(164.87)</b>	<b>0.66</b>	<b>(8.54)</b>	<b>(172.75)</b>
					<b>114.22</b>

## Financial Year 2017-18

	As on April 1, 2017	Movement for the period (2017-18)			As on March 31, 2018
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Total movement
<b>Deferred Tax Assets</b>					
Employee benefits obligations	32.70	(31.85)	(0.03)	-	(31.88)
Effective interest rate on financial liabilities	(22.11)	86.80	-	-	86.80
Fair valuation of derivatives	2.10	3.15	-	-	3.15
Tax break on employee stock option scheme	2.42	-	-	6.12	6.12
Expected credit loss provision	182.69	121.05	-	-	121.05
Unused tax losses	-	17.39	-	-	17.39
					303.74
					17.39
<b>Deferred Tax Liabilities</b>					
Property, plant and equipment & intangible assets	(0.08)	0.01	-	-	0.01
Fair valuation of financial assets	(145.82)	74.58	-	-	74.58
Others	-	(10.78)	-	(31.37)	(42.15)
					(0.07)
					(71.24)
					(42.15)
<b>Deferred Tax Asset (net)</b>	<b>51.90</b>	<b>260.35</b>	<b>(0.03)</b>	<b>6.12</b>	<b>235.07</b>
					<b>286.97</b>





**40. Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the period adjusted for assumed conversion of all dilutive potential equity shares.

		For the year ended March 31, 2019	for the year ended March 31, 2018
Net profit attributable to equity holders of the Company	(A)	1,708.02	1,063.84
Weighted average number of shares			
- Number of equity shares outstanding at the beginning of the year		33,325,875	2,805,998
- Number of equity shares issued during the year		-	30,519,877
Total number of equity shares outstanding at the end of the year		33,325,875	33,325,875
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	33,325,875	11,258,656
Weighted average number of diluted equity shares outstanding during the year	(C)	33,325,875	30,558,556
Adjusted net profit for diluted EPS	(D)	1,708.02	1,063.84
Basic earnings per share (in rupees)	(A / B)	51.25	94.49
Diluted earnings per share (in rupees)	(D / C)	51.25	34.81

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at March 31, 2019. (Previous year, dilution in earnings per share is on account of compulsorily convertible non-cumulative preference shares).

**41. Contingent Liability & Commitment:****Contingent Liability**

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

**Details of contingent liability**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Taxation matters of assessment year 2014-15 in respect of which appeal is pending with tax authorities	46.38	46.38	-

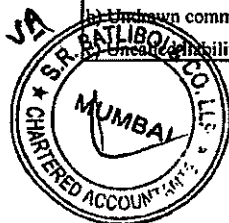
The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote."

**Commitment**

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

**Details of commitment**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	0.06	1.96	-
b) Undrawn committed credit lines	8,823.44	828.12	212.94
c) Undrawn committed liabilities on non-current investments	233.87	269.84	154.51



## 42. Segment reporting

## Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and retail financing

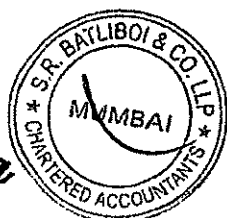
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

## Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

## Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from operations				
Interest income	4,656.13	46.48	-	4,702.61
Other operating income	119.39	435.78	0.01	555.18
Total revenue from operations	4,775.52	482.26	0.01	5,257.79
Interest expenses	1,927.72	336.25	0.04	2,264.01
Other expenses	394.70	51.02	5.00	450.72
Total expenses	2,322.43	387.26	5.04	2,714.73
Segment profit/(loss) before taxation	2,453.10	94.99	(5.03)	2,543.06
Income tax expenses	-	-	(835.04)	(835.04)
Profit for the year	2,453.10	94.99	(840.07)	1,708.02
Other comprehensive income	(1.05)	(0.18)	-	(1.23)
Total comprehensive income	2,452.05	94.81	(840.07)	1,706.79
Segment assets	29,863.73	3,903.83	261.54	34,029.10
Segment liabilities	20,135.14	3,465.06	263.93	23,864.13
Capital expenditure	7.95	0.18	-	8.13
Depreciation and amortisation	0.76	0.13	-	0.89
Significant non-cash items (net)	(128.66)	166.15	-	37.49



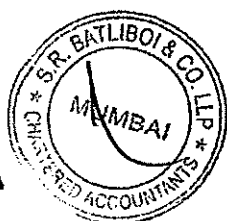
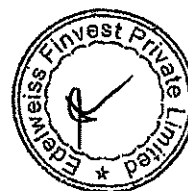
42. Segment reporting (continued)

Segment information as at and for the year ended March 31, 2018

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from operations				
Interest income	3,173.62	38.67	-	3,212.29
Other operating income	84.75	577.32	-	662.07
Total revenue from operations	3,258.37	615.99	-	3,874.36
Interest expenses	1,212.71	282.54	9.24	1,504.49
Other expenses	1,057.59	30.89	0.00	1,088.48
Total expenses	2,270.30	313.43	9.24	2,592.97
Segment profit/(loss) before taxation	988.07	302.56	(9.24)	1,281.39
Income tax expenses	-	-	(217.55)	(217.55)
Profit for the year	988.07	302.56	(226.79)	1,063.84
Other comprehensive income	0.04	0.01	-	0.05
Total comprehensive income	988.11	302.57	(226.79)	1,063.89
Segment assets	28,604.73	6,444.20	433.79	35,482.72
Segment liabilities	21,903.74	5,022.61	252.98	27,179.33
Capital expenditure	0.11	0.03	-	0.14
Depreciation and amortisation	0.09	0.02	-	0.11
Significant non-cash items (net)	(919.32)	(919.10)	-	(1,838.42)

Segment information as at April 1, 2017

Particulars	Financing business	Capital based business	Unallocated	Total
Segment assets	15,164.43	5,167.70	157.98	20,490.11
Segment liabilities	12,204.83	1,319.99	42.59	13,567.41



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

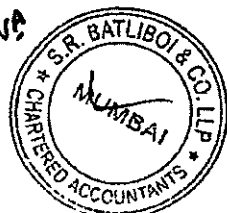
(Currency: Indian rupees in million)

## 43. Change in liabilities arising from financing activities

Particulars	As at April 01, 2018	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2019
Debt securities	17,970.76	4,246.27	-	58.73	22,275.76
Borrowings other than debt securities	8,198.80	(7,861.77)	-	0.15	337.18
Subordinated liabilities	161.26	-	-	(0.09)	161.17
	<b>26,330.82</b>	<b>(3,615.50)</b>	<b>-</b>	<b>58.79</b>	<b>22,774.11</b>

Particulars	As at April 01, 2017	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2018
Debt securities	12,945.64	5,150.79	-	(125.67)	17,970.76
Borrowings other than debt securities	12.01	8,187.16	-	(0.37)	8,198.80
Subordinated liabilities	161.12	-	-	0.14	161.26
	<b>13,118.77</b>	<b>13,337.95</b>	<b>-</b>	<b>(125.90)</b>	<b>26,330.82</b>

\* Includes the effect of accrued but not paid interest on borrowing, securities premium on issue of debt securities



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

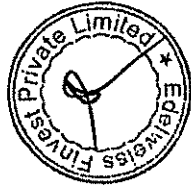
(Currency: Indian rupees in million)

## 44. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>									
Cash and cash equivalents	4,670.11	-	4,670.11	363.75	-	363.75	70.20	-	70.20
Derivative financial instruments	387.52	319.33	706.85	84.00	203.70	287.70	77.87	181.81	259.68
Securities held for trading	1,142.86	-	1,142.86	1,699.74	-	1,699.74	1,230.94	-	1,230.94
Trade receivables	21.34	-	21.34	12.85	-	12.85	0.02	-	0.02
Other receivables	26.46	-	26.46	10.60	-	10.60	69.76	-	69.76
Loans	5,527.12	19,515.08	25,042.20	2,351.95	26,470.16	28,822.11	6,693.30	7,888.15	14,581.45
Investments	-	1,862.01	1,862.01	-	4,617.50	4,617.50	-	3,859.03	3,859.03
Other financial assets	668.12	-	668.12	19.33	-	19.33	460.66	-	460.66
<b>Non-financial assets</b>									
Current tax assets (net)	-	147.32	147.32	-	146.82	146.82	-	106.05	106.05
Deferred tax assets (net)	-	114.22	114.22	-	286.97	286.97	-	51.90	51.90
Property, Plant and Equipment	-	1.35	1.35	-	1.13	1.13	-	1.10	1.10
Other intangible assets	-	6.35	6.35	-	-	-	-	-	-
Other non-financial assets	101.56	-	101.56	58.90	-	58.90	17.10	-	17.10
<b>Total Assets</b>	<b>12,545.09</b>	<b>21,965.66</b>	<b>34,510.75</b>	<b>4,601.12</b>	<b>31,726.28</b>	<b>36,327.40</b>	<b>8,619.85</b>	<b>12,088.94</b>	<b>20,707.89</b>
<b>Financial Liabilities</b>									
Derivative financial instruments	61.53	360.96	422.49	31.47	180.97	212.44	100.47	165.85	266.32
Trade payables	323.89	-	323.89	345.54	-	345.54	74.35	-	74.35
Debt securities	10,519.98	11,755.78	22,275.76	6,931.89	11,038.87	17,970.76	6,280.11	6,665.53	12,945.64
Borrowings (other than debt securities) *	112.40	224.78	337.18	7,874.17	324.63	8,198.80	12.01	-	12.01
Subordinated liabilities	11.17	150.00	161.17	11.26	150.00	161.26	11.12	150.00	161.12
Other financial liabilities	22.74	-	22.74	16.54	-	16.54	58.65	-	58.65
<b>Non-financial liabilities</b>									
Current tax liabilities (net)	-	263.93	263.93	-	252.98	252.98	-	42.59	42.59
Provisions	3.46	11.44	14.90	-	2.36	2.36	-	1.68	1.68
Other non-financial liabilities	42.07	-	42.07	18.65	-	18.65	5.05	-	5.05
<b>Total Liabilities</b>	<b>11,097.24</b>	<b>12,766.89</b>	<b>23,864.13</b>	<b>15,229.52</b>	<b>11,949.81</b>	<b>27,179.33</b>	<b>6,541.76</b>	<b>7,025.65</b>	<b>13,567.41</b>
<b>Net</b>	<b>1,447.85</b>	<b>9,198.77</b>	<b>10,646.62</b>	<b>(10,628.40)</b>	<b>19,776.47</b>	<b>9,148.07</b>	<b>2,078.09</b>	<b>5,062.39</b>	<b>7,140.48</b>

\* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO activities has raised long term funds during the financial year 2018-19 and has a positive ALM position as at March 31, 2019



# Edelweiss Finvest Private Limited

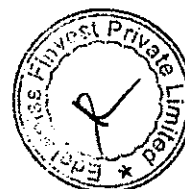
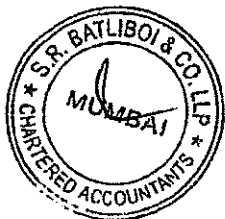
Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"

### I. List of related parties and relationship:

Names of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate Holding company)
Holding Company	ECap Equities Limited
Fellow subsidiaries with whom the transactions have taken place	<p>Edelweiss Alternative Asset Advisors Limited</p> <p>Edelweiss Securities Limited</p> <p>Edelcap Securities Limited</p> <p>EdelGive Foundation</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Housing Finance Limited</p> <p>Edelweiss Global Wealth Management Limited</p> <p>Edelweiss Finance &amp; Investments Limited</p> <p>Edelweiss Rural &amp; Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)</p> <p>Burlington Business Solutions Limited (Merged with Ecap Equities Limited)</p> <p>Edelweiss Custodial Services Limited</p> <p>Edelweiss Business Services Limited (Merged with Edelweiss Rural &amp; Corporate Services Limited (Formerly Edelweiss Commodities Services Limited w.e.f 1st August 2018)</p> <p>Edelweiss Broking Limited</p> <p>Edelweiss Tokio Life Insurance Company Limited</p> <p>Eternity Business Centre Limited (Merged with Ecap Equities Limited)</p> <p>EdelGive Foundation</p> <p>Auris Corporate Centre Limited (Merged with Ecap Equities Limited)</p> <p>Edelweiss Securities Limited</p> <p>Edelweiss Broking Limited</p> <p>Edel Commodities Limited</p> <p>EFSL Trading Limited</p> <p>ECL Finance Limited</p> <p>Edel Finance Company Limited</p> <p>Edelweiss Asset Management Limited</p> <p>EW Clover Scheme1</p>
Associates	<p>Edelweiss Private Equity Tech fund</p> <p>Edelweiss Value and Growth Fund</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Retail Finance Limited</p>
Key Management Personnel (KMP) (with whom transactions have taken place).	<p>Bhavin N Mehta (till 2 August 2018)</p> <p>Amit Dhawan (from 7 August 2018)</p> <p>Sheetal Gandhi</p> <p>Niket Joshi (from 2 May 2018)</p>

The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.

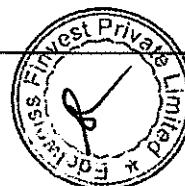
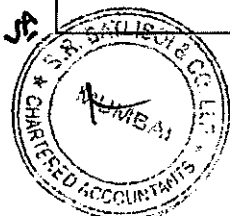


# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>ii Transactions with related parties:</b>				
<b>(I) Capital account transactions</b>				
1	Investments in units of	Edelweiss Private Equity Tech fund	-	27.73
		Edelweiss Value and Growth Fund	35.97	159.27
2	Conversion of Compulsorily convertible non-cumulative preference shares by	Edelweiss Rural & Corporate Services Limited	-	13.27
		Edelweiss Securities Limited	-	1.54
		ECap Equities Limited	-	207.59
3	Compulsorily Convertible Debentures redeemed to	ECap Equities Limited	-	268.87
<b>(II) Current account transactions</b>				
1	Short term loans taken from (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	15,368.06	25,454.76
2	Short term loans repaid to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	23,129.52	17,692.80
3	Short term loans given to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	3,706.13	3,743.03
		Edelcap Securities Limited	-	924.18
		Edel Finance Company Limited	1,200.00	-
		Edelweiss Finance & Investments Limited	-	648.84
4	Short term loans given repaid by (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	3,502.04	4,147.31
		Edelcap Securities Limited	-	930.77
		Edel Finance Company Limited	-	-
		Edelweiss Finance & Investments Limited	-	648.84
		Edel Commodities Limited	-	4.40
5	Issue of - benchmark linked debentures	Edelweiss Rural & Corporate Services Limited	40.00	1,290.00
6	Redemption - benchmark linked debentures	ECap Equities Limited	5,782.02	-
		Edelweiss Rural & Corporate Services Limited	68.94	-
7	Buyback - benchmark linked debentures	ECap Equities Limited	98.28	-
8	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	448.96	161.10
9	Interest expense on benchmark linked debentures	ECap Equities Limited	604.22	38.68
		Edelweiss Rural & Corporate Services Limited	13.94	-
10	Interest expense on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	16.45	16.64
11	Interest income received from securities	Edelweiss Retail Finance Limited	21.88	-
12	Interest income on short term loan from	Edelcap Securities Limited	-	91.18
		Edelweiss Rural & Corporate Services Limited	40.97	171.20
		Edel Finance Company Limited	1.08	-
		Edelweiss Finance & Investments Limited	27.55	34.16
		EW Clover Scheme I	-	0.18
		Edel Commodities Limited	-	0.38
13	Interest income on margin from	Edelweiss Securities Limited	0.02	0.02
		Edelweiss Custodial Services Limited	1.84	3.12
14	Enterprise Service charges paid to	Edelweiss Business Services Limited	53.33	19.16



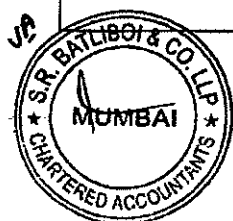
# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>(II) Current account transactions</b>				
15	Arranger fee paid to	ECL Finance Limited	17.36	45.29
16	Management fee paid to	Edelweiss Alternative Asset Advisors Limited	34.32	38.70
17	Legal and professional fees paid to	Edelweiss Asset Reconstruction Company Limited	-	8.17
18	Reimbursements paid to	Edelweiss Financial Services Limited	0.83	0.11
		Edelweiss Rural & Corporate Services Limited	0.29	0.45
		ECL Finance Limited	0.02	0.06
		Edelweiss Broking Limited	0.35	-
		Edelweiss Securities Limited	-	0.00
		EFSL Trading Limited	-	0.01
		Eternity Business Centre Limited	-	0.01
		ECap Equities Limited	0.41	0.01
		Edelweiss Asset Management Limited	0.07	-
		Edelweiss Alternative Asset Advisors Limited	0.63	-
19	Rent paid to	Edelweiss Rural & Corporate Services Limited	2.72	0.96
		Edelweiss Broking Limited	-	0.10
		ECap Equities Limited	4.73	0.15
		ECL Finance Limited	0.53	0.11
		Burlington Business Solutions Limited	-	0.03
		Eternity Business Centre Limited	-	0.01
		Auris Corporate Centre Limited	-	0.00
		Edelweiss Asset Management Limited	0.25	-
		Edelweiss Broking Limited	0.70	-
20	Rating Support fees paid to	Edelweiss Financial Services Limited	0.18	0.21
21	Corporate Social Responsibility	EdelGive Foundation	5.00	-
22	Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	121.52	79.78
23	Commission and Sub-brokerage paid to	Edelweiss Securities Limited	-	1.12
		Edelweiss Global Wealth Management Limited	26.77	9.91
24	Clearing charges paid to	Edelweiss Securities Limited	-	-
		Edelweiss Custodial Services Limited	0.14	0.11
25	ESOP Cost	Edelweiss Financial Services Limited	4.65	-
26	Remuneration to Key Management Personnel (refer note 2 below)	Bhavin N Mehta	-	1.76
		Amit Dhawan	10.98	-
<b>(III) Secondary market transactions</b>				
1	Sale of securities (Securities held for trading) to	ECL Finance Limited	3,592.75	641.31
		Edelweiss Finance & Investments Limited	102.42	668.81
		Edelweiss Rural & Corporate Services Limited	1,028.03	83.82
		Edelweiss Retail Finance Limited	244.34	-
		ECap Equities Limited	648.85	-
2	Purchase of securities (Securities held for trading) from	ECL Finance Limited	-	245.17
		ECap Equities Limited	-	1,012.27
		Edelweiss Finance & Investments Limited	-	480.15
		Edelweiss Rural & Corporate Services Limited	1,163.28	2,501.53





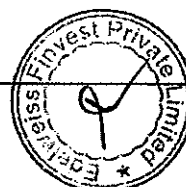
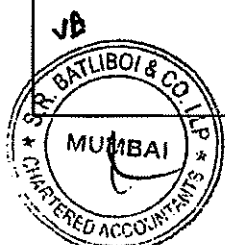
# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>(III) Secondary market transactions</b>				
3	Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	589.89	-
4	Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	707.22	-
5	Margin placed with broker (refer note 1 below)	Edelweiss Custodial Services Limited Edelweiss Securities Limited	690.03 0.53	11.07 352.98
6	Margin withdrawn from broker (refer note 1 below)	Edelweiss Custodial Services Limited Edelcap Securities Limited Edelweiss Securities Limited	37.74 - 1.39	277.61 367.85 -
7	Sale of Securities receipts to	ECL Finance Limited	1,833.30	-
8	Purchase of property, plant and equipment	Edelweiss Broking Limited ECL Finance Limited Edelweiss Financial Services Limited Edelweiss Housing Finance Limited	0.88 0.19 0.00 0.00	- - - -
<b>(IV) Balances with related parties</b>				
1	Investments in equity shares	Edelweiss Retail Finance Limited Edelweiss Asset Reconstruction Company Limited	264.00 326.14	264.00 326.14
2	Investments in units of	Edelweiss Private Equity Tech fund Edelweiss Value and Growth Fund	80.41 210.27	56.89 159.27
3	Subordinate debt issued to	Edelweiss Tokio Life Insurance Company Limited	150.00	150.00
4	Benchmark Debentured held by	Ecap Equities Limited	195.55	-
5	Debenture and bonds (securities held for trading) of	ECL Finance Limited	-	63.29
6	Non-convertible redeemable debentures	Ecap Equities Limited Edelweiss Rural & Corporate Services Limited	- -	3,302.64 55.00
7	Interest accrue but not due on benchmark linked debentured held by	Ecap Equities Limited	1.78	-
8	Interest accrued on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	11.17	11.26
9	Short term loans taken from	Edelweiss Commodities Services Limited	-	7,761.96
10	Short term loans given to	Edelweiss Commodities Services Limited Edel Finance Company Limited	203.60 1,200.00	- -
11	Trade Payables to	Edelweiss Financial Services Limited  Edelweiss Business Services Limited  Edelweiss Securities Limited ECL Finance Limited Ecap Equities Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Global Wealth Management Limited Edelweiss Finance & Investments Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Rural & Corporate Services Limited Edelweiss Asset Management Limited Edelweiss Broking Limited Eternity Business Centre Limited	142.90  30.29  0.25 24.01 2.23 34.92 8.04 - - 1.19 0.09 0.18 0.00	90.90  8.59  94.13 48.92 0.17 44.09 4.05 0.20 8.83 - - - -



## Edelweiss Finvest Private Limited

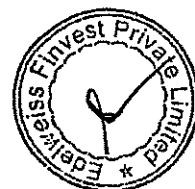
Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees)

### 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>(IV) Balances with related parties</b>				
12	Other receivables from	ECL Finance Limited	17.33	0.01
		Edelweiss Securities Limited	1.11	0.94
		Edelweiss Custodial Services Limited	1.78	0.78
		Edelweiss Rural & Corporate Services Limited	-	0.04
		Edelweiss Finance & Investments Limited	2.22	-
		Edelweiss Financial Services Limited	0.13	-
		ECap Equities Limited	0.02	-
		Edelweiss Alternative Asset Advisors Limited	0.03	-
		Edelweiss Business Services Limited	0.06	-
		Edelweiss Broking Limited	4.03	-
13	Interest receivable-Accrued & due-Group Company	Edelweiss Rural & Corporate Services Limited	17.57	-
		Edel Finance Company Limited	0.98	-
14	Interest accrued but not due on debentures and bonds of	ECL Finance Limited	-	34.49
15	Margin placed with broker	Edelweiss Custodial Services Limited	667.67	59.40
		Edelweiss Securities Limited	-	1.33
16	Corporate Guarantee taken from	Edelweiss Financial Services Limited	5,030.10	8,492.50

#### Note

- The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.



**Edelweiss Finvest Private Limited****Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**46. Capital Management**

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

**The Pillars of its policy are as follows:**

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

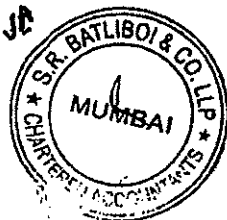
This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

**Regulatory capital**

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Capital Funds</b>			
Net owned funds (Tier I capital)	8,744.79	7,875.63	4,327.38
Tier II capital	589.86	512.65	670.56
<b>Total capital funds</b>	<b>9,334.65</b>	<b>8,388.28</b>	<b>4,997.94</b>
<b>Total risk weighted assets/ exposures</b>	<b>32,828.41</b>	<b>35,933.69</b>	<b>18,150.75</b>
<b>% of capital funds to risk weighted assets/exposures:</b>			
Tier I capital	26.64%	21.92%	23.84%
Tier II capital	1.80%	1.43%	3.69%
Total capital Funds	28.44%	23.35%	27.53%

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

#### 47. Fair Value measurement:

##### 47.A Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.10 for more details on fair value hierarchy

##### 47.B Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

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

As at March 31, 2019

Assets measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

413.69

-

-

413.69

Embedded derivatives in benchmark-linked debentures

-

-

327.50

327.50

Total derivative financial instruments - A

413.69

-

327.50

741.19

Financial assets held for trading

Other debt securities

-

1,142.87

-

1,142.87

Total financial assets held for trading - B

-

1,142.87

-

1,142.87

Investments

Equity shares

-

-

6.58

6.58

Preference shares

-

-

37.27

37.27

Security receipts

-

-

845.69

845.69

Units of AIF

-

-

290.68

290.68

Units of venture fund

-

-

91.65

91.65

Total Investments measured at fair value - C

-

-

1,271.87

1,271.87

Total (A+B+C)

413.69

1,142.87

1,599.37

3,155.93

Liabilities measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

2.57

-

-

2.57

Embedded derivatives in benchmark-linked debentures

-

-

422.49

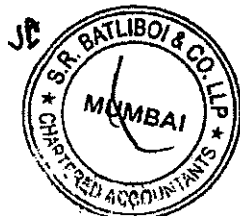
422.49

2.57

-

422.49

425.06



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 47. Fair Value measurement: (Continued)

As at March 31, 2018

Assets measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

Total derivative financial instruments - A

Financial assets held for trading

Other debt securities

Equity instruments

Mutual fund units

Total financial assets held for trading - B

Investments

Equity shares

Preference shares

Security receipts

Units of AIF

Units of venture fund

Total investments measured at fair value - C

Total (A+B+C)

Liabilities measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

As at April 01, 2017

Assets measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

Total derivative financial instruments - A

Financial assets held for trading

Government debt securities

Other debt securities

Mutual fund units

Equity instruments

Total financial assets held for trading - B

Investments

Equity shares

Preference shares

Security receipts

Units of AIF

Units of venture fund

Mutual fund units

Warrants

Total investments measured at fair value - C

Total (A+B+C)

Liabilities measured at fair value on a recurring basis

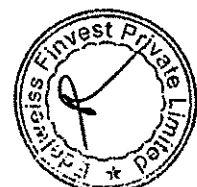
Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

Total (A+B)

	Level 1	Level 2	Level 3	Total
As at March 31, 2018				
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	1.90	-	-	1.90
Embedded derivatives in benchmark-linked debentures	-	-	287.67	287.67
Total derivative financial instruments - A	1.90	-	287.67	289.57
Financial assets held for trading				
Other debt securities	-	101.01	-	101.01
Equity instruments	100.00	-	-	100.00
Mutual fund units	1,498.73	-	-	1,498.73
Total financial assets held for trading - B	1,598.73	101.01	-	1,699.74
Investments				
Equity shares	-	-	3.63	3.63
Preference shares	-	-	25.69	25.69
Security receipts	-	-	3,692.00	3,692.00
Units of AIF	-	-	223.67	223.67
Units of venture fund	-	-	82.37	82.37
Total investments measured at fair value - C	-	-	4,027.36	4,027.36
Total (A+B+C)	1,600.63	101.01	4,315.03	6,016.67
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	11.12	-	-	11.12
Embedded derivatives in benchmark-linked debentures	-	-	212.44	212.44
	11.12	-	212.44	223.56
As at April 01, 2017				
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	61.78	-	-	61.78
Embedded derivatives in benchmark-linked debentures	-	-	218.72	218.72
Total derivative financial instruments - A	61.78	-	218.72	280.50
Financial assets held for trading				
Government debt securities	-	-	-	-
Other debt securities	-	-	-	-
Mutual fund units	-	-	-	-
Equity instruments	1,230.94	-	-	1,230.94
Total financial assets held for trading - B	1,230.94	-	-	1,230.94
Investments				
Equity shares	444.88	-	366.55	811.43
Preference shares	-	-	25.69	25.69
Security receipts	-	-	2,173.04	2,173.04
Units of AIF	-	-	29.16	29.16
Units of venture fund	-	-	52.75	52.75
Mutual fund units	98.66	-	-	98.66
Warrants	-	11.49	-	11.49
Total investments measured at fair value - C	543.54	11.49	2,647.19	3,202.22
Total (A+B+C)	1,836.26	11.49	2,865.91	4,713.66
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	24.34	-	-	24.34
Embedded derivatives in benchmark-linked debentures	-	-	266.32	266.32
Total (A+B)	24.34	-	266.32	290.66



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### D. Valuation techniques:

##### Debt securities:

Fair value of debt securities is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. The Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded, the Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

##### Security receipts

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

##### Equity instruments, preference shares, warrants and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Unquoted equity instruments, preference shares and warrants are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. All unquoted instruments are classified at Level 3.

##### Units of AIF Fund and Venture Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3.

##### Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indicés) data wherever possible, including prices available from exchanges, dealers, brokers. Company classifies these embedded derivative as level 3 instruments.

##### Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1.

E. There have been no transfers between levels during the year ended March 31, 2019 and March 31, 2018.

F. 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 2019	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Other debt securities	Total
Investments - at April 1, 2018	3,692.00	223.67	82.37	3.63	25.69	4,027.36
Purchase	5,302.21	35.97	-	-	-	5,338.18
Sale / redemption proceeds	(8,350.50)	-	-	-	-	(8,350.50)
Transfer into level 3	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-
Profit for the year recognised in profit or loss	201.98	31.04	9.28	2.95	11.58	256.83
Investments - at March 31, 2019	845.69	290.68	91.65	6.58	37.27	1,271.87
Unrealised gain/(Loss) related to balances held at the end of the year	311.21	38.56	21.66	4.84	(2.73)	373.54

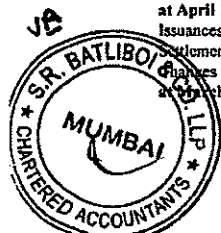
Financial year ended March 2018	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Other debt securities	Total
Investments - at April 1, 2017	2,173.04	29.16	52.75	366.55	25.69	2,647.19
Purchase	2,263.38	187.00	21.67	-	-	2,472.05
Sale / redemption proceeds	(959.01)	-	-	(413.95)	-	(1,372.96)
Transfer into level 3	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-
Profit for the year recognised in profit or loss	214.59	7.51	7.95	51.03	-	281.08
Investments - at March 31, 2018	3,692.00	223.67	82.37	3.63	25.69	4,027.36
Unrealised gain/(Loss) related to balances held at the end of the year	229.73	7.51	12.37	1.89	(14.31)	237.19

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 2019	Embedded Options		Net Balance
	Assets	Liabilities	
at April 1, 2018	287.67	212.44	75.23
Issuances	244.04	208.91	35.13
Settlements	71.95	42.29	29.66
Changes in fair value recognised in profit or loss	(276.16)	(41.15)	(235.01)
Investments - at March 31, 2019	327.50	422.49	(94.99)

Financial year ended March 2018	Embedded Options		Net Balance
	Assets	Liabilities	
at April 1, 2017	218.37	223.17	(4.80)
Issuances	126.55	176.63	(50.08)
Settlements	(57.66)	(182.31)	124.65
Changes in fair value recognised in profit or loss	0.42	(5.05)	5.47
Investments - at March 31, 2018	287.68	212.44	75.24



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

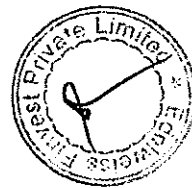
(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### F. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 instruments. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	845.69	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	308.58	5% increase in Expected future Cash flow	41.53	5% Decrease in Expected future Cash flow	(41.53)
			Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(9.97)	0.5% Decrease in Risk-adjusted discount rate	10.19
Units of AIF	290.68	Net Asset approach	Fair value of underlying investments	Rs. 107,701 to Rs. 141,337 per unit	5% Increase in Fair value of Underlying Investment	14.53	5% Decrease in Fair value of Underlying Investment	(14.53)
Units of venture fund	91.65	Net Asset approach	Fair value of underlying investments	Rs. 125,966 to Rs. 195,558 per unit	5% Increase in Fair value of Underlying Investment	4.58	5% Decrease in Fair value of Underlying Investment	(4.58)
Unquoted equity shares	6.58	Comparable transaction and P/E	Fair value per share	Rs. 182 per share	5% Increase in Fair value	0.33	5% Decrease in Fair value	(0.33)
Unquoted preference shares	37.27	Comparable transaction and P/E	Fair value per share	Rs. 7.141 per share	5% Increase in Fair value	1.86	5% Decrease in Fair value	(1.86)
Embedded derivatives (net)	94.99	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Market Index curve	(4.27)	5% Decrease in Market Index curve	4.27
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.51	0.5% increase in Risk-adjusted discount rate	(0.51)



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Rupees/Indian rupees in million)

## Value measurement: (Continued)

Impact on fair value of level 3 financial instrument of changes to key unobservable inputs (continued)

Type of Financial Instruments	Fair value of asset as on 31 March 2018	Valuation Techniques	Significant Unobservable Input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	3,692.00	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	277.14	5% increase in Expected future Cash flow	125.95	5% Decrease in Expected future Cash flow	(125.95)
			Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(34.56)	0.5% Decrease in Risk-adjusted discount rate	35.36
Unit of AIF	223.67	Net Asset approach	Fair value of underlying investments	Rs. 101,435 to Rs. 109,179 per unit	5% Increase in Fair value of Underlying Investment	11.18	5% Decrease in Fair value of Underlying Investment	(11.18)
Units of venture fund	82.37	Net Asset approach	Fair value of underlying investments	Rs. 114,692 to Rs. 156,471 per unit	5% Increase in Fair value of Underlying Investment	4.12	5% Decrease in Fair value of Underlying Investment	(4.12)
Unquoted equity shares	3.63	Comparable transaction and P/E	Fair value per share	Rs. 101 per share	5% Increase in Fair value	0.18	5% Decrease in Fair value	(0.18)
Unquoted preference shares	25.69	Comparable transaction and P/E	Fair value per share	Rs. 4,923 per share	5% Increase in Fair value	1.28	5% Decrease in Fair value	(1.28)
Embedded derivatives (net)	75.23	Discounted Cash flow: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Market Index curve	(3.39)	5% Decrease in Market Index curve	3.39
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.41	0.5% increase in Risk-adjusted discount rate	(0.41)





# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

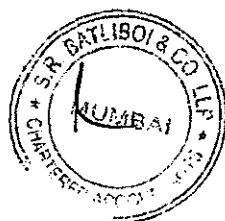
(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### G. Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and cash equivalents	4,670.11	4,670.11	-	-	4,670.11
Trade Receivables	21.34	-	21.34	-	21.34
Other Receivables	26.46	-	26.46	-	26.46
Loans	24,560.55	-	-	24,817.05	24,817.05
Investments	590.14	-	590.14	-	590.14
Other financial assets	668.12	-	668.12	-	668.12
<b>Total Financial Assets</b>	<b>30,536.72</b>	<b>4,670.11</b>	<b>1,306.06</b>	<b>24,817.05</b>	<b>30,793.22</b>
<b>Financial Liabilities</b>					
Trade payables	323.89	-	323.89	-	323.89
Debt securities	22,275.76	-	18,867.53	-	18,867.53
Borrowings (other than debt securities)	337.18	-	342.34	-	342.34
Subordinated Liabilities	161.17	-	169.78	-	169.78
Other financial liabilities	22.74	-	22.74	-	22.74
<b>Total Financial Liabilities</b>	<b>23,120.74</b>	<b>-</b>	<b>19,726.28</b>	<b>-</b>	<b>19,726.28</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	8,823.44	-	-	3,700.92	3,700.92
<b>Total Off balance-sheet items</b>	<b>8,823.44</b>	<b>-</b>	<b>-</b>	<b>3,700.92</b>	<b>3,700.92</b>
<b>As at March 31, 2018</b>	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>					
Cash and cash equivalents	363.75	363.75	-	-	363.75
Trade Receivables	12.85	-	12.85	-	12.85
Other Receivables	10.60	-	10.60	-	10.60
Loans	27,977.43	-	-	27,904.85	27,904.85
Investments	590.14	-	590.14	-	590.14
Other financial assets	19.33	-	19.33	-	19.33
<b>Total Financial Assets</b>	<b>28,974.10</b>	<b>363.75</b>	<b>632.92</b>	<b>27,904.85</b>	<b>28,901.52</b>
<b>Financial Liabilities</b>					
Trade payables	345.54	-	345.54	-	345.54
Debt securities	17,970.76	-	15,883.42	-	15,883.42
Borrowings (other than debt securities)	8,198.80	-	8,321.57	-	8,321.57
Subordinated Liabilities	161.26	-	180.36	-	180.36
Other financial liabilities	16.54	-	16.54	-	16.54
<b>Total Financial Liabilities</b>	<b>26,692.90</b>	<b>-</b>	<b>24,747.43</b>	<b>-</b>	<b>24,747.43</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	828.12	-	-	293.49	293.49
<b>Total Off balance-sheet items</b>	<b>828.12</b>	<b>-</b>	<b>-</b>	<b>293.49</b>	<b>293.49</b>



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### G. Fair value of financial instruments not measured at fair value (continued):

As at April 01, 2017	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and cash equivalents	70.20	70.20	-	-	70.20
Trade Receivables	0.02	-	0.02	-	0.02
Other Receivables	69.76	-	69.76	-	69.76
Loans	14,363.67	-	-	14,518.22	14,518.22
Investments	656.81	-	656.81	-	656.81
Other financial assets	460.66	-	460.66	-	460.66
<b>Total Financial Assets</b>	<b>15,621.12</b>	<b>70.20</b>	<b>1,187.25</b>	<b>14,518.22</b>	<b>15,775.67</b>
<b>Financial Liabilities</b>					
Trade payables	74.35	-	74.35	-	74.35
Debt securities	12,945.64	-	11,513.04	-	11,513.04
Borrowings (other than debt securities)	12.01	-	12.01	-	12.01
Subordinated Liabilities	161.12	-	182.26	-	182.26
Other financial liabilities	58.65	-	58.65	-	58.65
<b>Total Financial Liabilities</b>	<b>13,251.77</b>	<b>-</b>	<b>11,840.31</b>	<b>-</b>	<b>11,840.31</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	212.94	-	-	70.58	70.58
<b>Total Off balance-sheet items</b>	<b>212.94</b>	<b>-</b>	<b>-</b>	<b>70.58</b>	<b>70.58</b>

#### H. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

##### Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

##### Financial assets at amortised cost

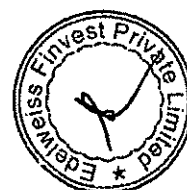
The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

##### Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

##### Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows after applying the credit conversion factor, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 48. Risk Management

#### A. Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

#### B. Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### C. Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

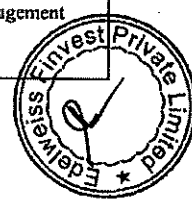
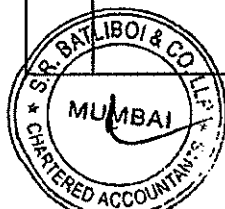
It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

#### D. Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
1	<b>Credit risk</b> Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments;  Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and  Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
2	<b>Liquidity risk</b> Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows.  Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio  Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities.  Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company.
3	<b>Market risk</b> Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios.  Monitored using measures, including the sensitivity of net interest income.  Managed using risk limits approved by the risk management committee.



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

#### 48. Risk Management

##### 48.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

##### Derivative financial instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

##### Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage 1
Standard grade	31 to 90 dpd	Stage 2
Non-performing		
Individually impaired	90+ dpd	Stage 3

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

##### Significant increase in credit risk (SICR)

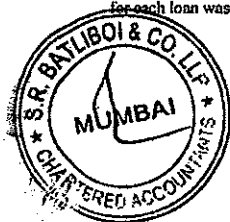
Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

##### Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

##### Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.



**Edelweiss Finvest Private Limited****Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**48. Risk Management (continued)****48.D.1 Credit Risk (continued)****Exposure at Default (EAD)**

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} \times \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

**Forward looking adjustments**

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

**Data sourcing**

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

**Probability weighted scenario creations:**

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

The significant economic parameters scenarios used are as follows:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Company has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

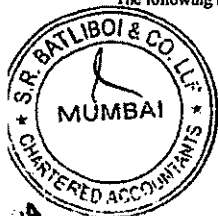
Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

**48.D.2 Risk Concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table shows the risk concentration by industry for the components of the balance sheet



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**48. Risk Management (continued)**
**Credit Risk (continued)**
**48.D.2 Industry analysis - Risk concentration as at 31 March 2019**

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	4,670.11	-	-	-	-	-	-	-	4,670.11
Derivative financial instruments	706.85	-	-	-	-	-	-	-	706.85
Securities held for trading	1,142.86	-	-	-	-	-	-	-	1,142.86
Trade receivables	-	-	-	-	-	-	-	21.34	21.34
Other receivables	-	-	-	-	-	-	-	26.46	26.46
Loans	1,620.97	-	-	4,936.86	10,165.95	3,009.73	5,308.69	-	25,042.20
Investments	1,733.09	-	-	-	-	-	-	128.92	1,862.01
Other financial assets	668.12	-	-	-	-	-	-	-	668.12
<b>Total Assets</b>	<b>10,542.00</b>	<b>-</b>	<b>-</b>	<b>4,936.86</b>	<b>10,165.95</b>	<b>3,009.73</b>	<b>5,308.69</b>	<b>176.72</b>	<b>34,139.95</b>

**Industry analysis - Risk concentration as at 31 March 2018**

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	363.75	-	-	-	-	-	-	-	363.75
Derivative financial instruments	287.70	-	-	-	-	-	-	-	287.70
Securities held for trading	1,699.73	-	-	-	-	-	-	-	1,699.73
Trade receivables	-	-	-	-	-	-	-	12.85	12.85
Other receivables	-	-	-	-	-	-	-	10.60	10.60
Loans	747.07	-	-	6,025.60	14,859.39	5,352.39	1,837.66	-	28,822.11
Investments	4,509.44	-	-	-	-	-	-	108.06	4,617.50
Other financial assets	19.33	-	-	-	-	-	-	-	19.33
<b>Total Assets</b>	<b>7,627.02</b>	<b>-</b>	<b>-</b>	<b>6,025.60</b>	<b>14,859.39</b>	<b>5,352.39</b>	<b>1,837.66</b>	<b>131.51</b>	<b>35,833.57</b>

**Industry analysis - Risk concentration as at 1 April 2017**

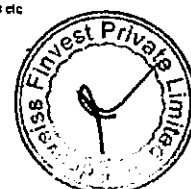
Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	70.20	-	-	-	-	-	-	-	70.20
Derivative financial instruments	259.68	-	-	-	-	-	-	-	259.68
Securities held for trading	177.70	-	-	-	-	-	-	1,053.23	1,230.93
Trade receivables	-	-	-	-	-	-	-	0.02	0.02
Other receivables	-	-	-	-	-	-	-	69.76	69.76
Loans	2,204.99	-	-	3,207.50	5,467.59	3,588.62	112.75	-	14,581.45
Investments	3,529.42	-	-	-	-	-	-	329.61	3,859.03
Other financial assets	460.66	-	-	-	-	-	-	-	460.66
<b>Total Assets</b>	<b>6,702.65</b>	<b>-</b>	<b>-</b>	<b>3,207.50</b>	<b>5,467.59</b>	<b>3,588.62</b>	<b>112.75</b>	<b>1,452.62</b>	<b>20,531.73</b>

**48.D.3 Collateral and other credit enhancements**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk			Principal type of collateral
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	
<b>Financial assets</b>				
Cash and cash equivalents	4,670.11	363.75	70.20	
Derivative financial instruments	706.85	287.70	259.68	
Securities held for trading	1,142.86	1,699.74	1,230.94	The Company invest in high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	21.34	12.85	0.02	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Other receivables	26.46	10.60	69.76	
Loans:				
i) Corporate Credit	19,733.51	27,000.13	14,468.66	Equity Shares, Mutual Fund units, Land, Property, Project Receivable etc.
ii) Retail Credit	5,308.69	1,821.98	112.79	Equity shares and Mutual fund units, Bonds, etc.
Investments	1,862.01	4,617.50	3,859.03	
Other financial assets	668.12	19.33	460.66	
<b>Total Financial Assets (A)</b>	<b>34,139.95</b>	<b>35,833.57</b>	<b>20,531.74</b>	
Loan commitments	8,823.44	828.12	212.94	Equity Shares, Mutual Fund units, Land, Property, Project Receivable etc.
Derivatives (B)	8,823.44	828.12	212.94	
<b>Total (A+B)</b>	<b>42,963.39</b>	<b>36,661.70</b>	<b>20,744.68</b>	



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**48. Risk Management (continued)****48.D.3 Collateral and other credit enhancements (continued)**

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

**Maximum exposure to credit risk as at March 31, 2019**

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	106.83	51.73	55.10	883.20
Retail Credit	4.30	1.23	3.07	3.21
<b>Total Financial Assets</b>	<b>111.13</b>	<b>52.96</b>	<b>58.17</b>	<b>886.41</b>

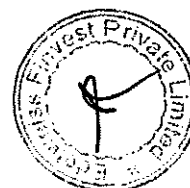
\* Secured by way of a pari passu charge over collateral

**Maximum exposure to credit risk as at March 31, 2018**

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit	506.20	493.29	12.91	1,158.70
Retail Credit	-	-	-	-
<b>Total Financial Assets</b>	<b>506.20</b>	<b>493.29</b>	<b>12.91</b>	<b>1,158.70</b>

**Maximum exposure to credit risk as at April 1, 2017**

There are no financial assets classified as stage 3 as at April 1, 2017.



## 48. Risk Management (Continued)

## 48.E Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various Liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities, Mutual Funds and Quoted Equity Shares. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Private issue of Debt, Sub Debt etc to maintain a healthy mix.

## Liquidity Cushion:

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Liquidity cushion			
Debt Securities	1,142.87	101.01	-
Mutual Fund Investments	-	1,498.73	-
Quoted Equity Instruments	-	100.00	1,230.94
Total Liquidity cushion	1,142.87	1,699.74	1,230.94

## Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at 31 March 2019	As at 31 March 2018	As at 1-Apr-17
Committed Lines from Banks	45.00	45.00	-

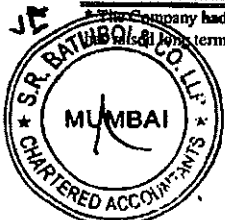
## As at March 31, 2019 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	120.11	4,500.00	-	50.00	-	-	4,670.11
Derivative financial instruments	-	706.85	-	-	-	-	706.85
Securities held for trading	-	1,142.86	-	-	-	-	1,142.86
Receivables	-	-	-	-	-	-	-
(i) Trade receivables	-	21.34	-	-	-	-	21.34
(ii) Other receivables	-	26.46	-	-	-	-	26.46
Loans	-	2,363.81	1,537.40	4,482.87	23,730.63	1,137.45	33,252.16
Investments	-	-	-	-	-	1,862.01	1,862.01
Other financial assets	-	668.12	-	-	-	-	668.12
<b>Total undiscounted financial assets</b>	<b>120.11</b>	<b>9,429.44</b>	<b>1,537.40</b>	<b>4,532.87</b>	<b>23,730.63</b>	<b>2,999.46</b>	<b>42,349.91</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	422.49	-	-	-	-	422.49
(b) Trade payables	-	323.89	-	-	-	-	323.89
(c) Debt securities	-	4,613.34	1,384.83	4,566.83	9,605.55	2,171.33	22,341.88
(d) Borrowings (other than debt securities)	12.40	33.13	32.52	63.07	254.19	-	395.31
(e) Subordinated Liabilities	-	-	16.45	-	66.05	183.05	265.55
(f) Other financial liabilities	-	22.74	-	-	-	-	22.74
<b>Total undiscounted financial liabilities</b>	<b>12.40</b>	<b>5,415.59</b>	<b>1,433.80</b>	<b>4,629.90</b>	<b>9,925.79</b>	<b>2,354.38</b>	<b>23,771.86</b>
<b>Total net financial assets / (liabilities)</b>	<b>107.71</b>	<b>4,013.85</b>	<b>103.60</b>	<b>(97.03)</b>	<b>13,804.84</b>	<b>645.08</b>	<b>18,578.05</b>

## As at March 31, 2018 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	363.75	-	-	-	-	-	363.75
Derivative financial instruments	-	287.70	-	-	-	-	287.70
Securities held for trading	-	1,699.74	-	-	-	-	1,699.74
Receivables	-	-	-	-	-	-	-
(i) Trade receivables	-	12.85	-	-	-	-	12.85
(ii) Other receivables	-	10.60	-	-	-	-	10.60
Loans	-	502.33	1,132.50	2,919.55	32,715.16	1,728.01	38,997.55
Investments	-	-	-	-	-	4,617.50	4,617.50
Other financial assets	-	19.33	-	-	-	-	19.33
<b>Total undiscounted financial assets</b>	<b>363.75</b>	<b>2,532.55</b>	<b>1,132.50</b>	<b>2,919.55</b>	<b>32,715.16</b>	<b>6,345.51</b>	<b>46,009.02</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	212.44	-	-	-	-	212.44
(b) Trade payables	-	345.54	-	-	-	-	345.54
(c) Debt securities	-	1,051.21	3,697.11	2,504.87	9,290.92	1,613.73	18,157.84
(d) Borrowings (other than debt securities)	7,774.17	37.31	31.08	843.40	382.92	-	9,068.88
(e) Subordinated Liabilities	-	-	16.55	-	66.00	199.55	282.10
(g) Other financial liabilities	-	16.54	-	-	-	-	16.54
<b>Total undiscounted financial liabilities</b>	<b>7,774.17</b>	<b>1,663.64</b>	<b>3,744.74</b>	<b>3,348.27</b>	<b>9,739.84</b>	<b>1,813.28</b>	<b>28,083.34</b>
<b>Total net financial assets / (liabilities)*</b>	<b>(7,410.42)</b>	<b>869.51</b>	<b>(2,612.24)</b>	<b>(428.72)</b>	<b>22,975.32</b>	<b>4,532.23</b>	<b>17,925.68</b>

\* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company repaid of the above activities during the financial year 2018-19 and has a positive ALM position as at March 31, 2019.





48. Risk Management (Continued)

48.E Liquidity Risk (continued)

As at April 1, 2017 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	70.20	-	-	-	-	-	70.20
Derivative financial instruments	-	259.68	-	-	-	-	259.68
Securities held for trading	-	1,230.94	-	-	-	-	1,230.94
Receivables							
(i) Trade receivables	-	0.02	-	-	-	-	0.02
(ii) Other receivables	-	69.76	-	-	-	-	69.76
Loans	-	2,290.37	827.43	4,674.40	10,706.23	138.66	18,637.09
Investments	-	98.66	-	-	-	3,760.37	3,859.03
Other financial assets	-	460.66	-	-	-	-	460.66
<b>Total undiscounted financial assets</b>	<b>70.20</b>	<b>4,410.09</b>	<b>827.43</b>	<b>4,674.40</b>	<b>10,706.23</b>	<b>3,899.03</b>	<b>24,587.38</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	266.32	-	-	-	-	266.32
(b) Trade payables	-	74.35	-	-	-	-	74.35
(c) Debt securities	-	237.17	439.74	5,690.44	6,393.97	316.88	13,078.20
(d) Borrowings (other than debt securities)	12.01	-	-	-	-	-	12.01
(f) Subordinated Liabilities	-	-	16.55	-	66.05	216.05	298.65
(g) Other financial liabilities	-	58.65	-	-	-	-	58.65
<b>Total undiscounted financial liabilities</b>	<b>12.01</b>	<b>636.49</b>	<b>456.29</b>	<b>5,690.44</b>	<b>6,460.02</b>	<b>532.93</b>	<b>13,788.18</b>
<b>Total net financial assets / (liabilities)</b>	<b>58.19</b>	<b>3,773.60</b>	<b>371.14</b>	<b>(1,016.04)</b>	<b>4,246.21</b>	<b>3,366.10</b>	<b>10,799.20</b>

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	0.06	-	-	0.06
Undrawn committed credit lines	-	-	8,823.44	-	-	8,823.44
Uncalled liabilities on non-current investments	233.87	-	-	-	-	233.87
	<b>233.87</b>	<b>-</b>	<b>8,823.50</b>	<b>-</b>	<b>-</b>	<b>9,057.37</b>

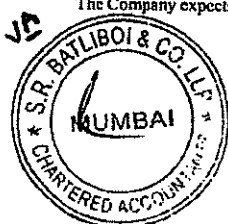
As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	1.96	-	-	1.96
Undrawn committed credit lines	-	-	828.12	-	-	828.12
Uncalled liabilities on non-current investments	269.84	-	-	-	-	269.84
	<b>269.84</b>	<b>-</b>	<b>830.08</b>	<b>-</b>	<b>-</b>	<b>1,099.92</b>

As at March 31, 2017

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	-	-	-	-
Undrawn committed credit lines	-	-	212.94	-	-	212.94
Uncalled liabilities on non-current investments	154.51	-	-	-	-	154.51
	<b>154.51</b>	<b>-</b>	<b>212.94</b>	<b>-</b>	<b>-</b>	<b>367.45</b>

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 48. Risk Management (Continued)

### 48.F Market Risk

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

#### Global market risk exposure

Below table shows total market risk exposure of financial assets liabilities and financial liabilities with primary risk associated with class of respective financial assets.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary market risk sensitivity
	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	
<b>Financial Assets</b>										
Cash and cash equivalents	4,670.11	-	4,670.11	363.75	-	363.75	70.20	-	70.20	Interest rate risk
Derivative financial instruments	706.85	706.85	-	287.70	287.70	-	259.68	259.68	-	Price risk, interest rate risk
Securities held for trading	1,142.86	1,142.86	-	1,699.74	1,699.74	-	1,230.94	1,230.94	-	Price risk, interest rate risk
Trade receivables	21.34	-	21.34	12.85	-	12.85	0.02	-	0.02	Price risk, interest rate risk
Other receivables	26.46	-	26.46	10.60	-	10.60	69.76	-	69.76	Interest rate risk
Loans	24,560.55	-	24,560.55	27,977.43	-	27,977.43	14,363.67	-	14,363.67	Interest rate risk
Investments	1,862.01	-	1,862.01	4,617.50	-	4,617.50	3,859.03	543.54	3,315.49	Price risk, interest rate risk
Other financial assets	668.12	-	668.12	19.33	-	19.33	460.66	-	460.66	Interest rate risk
<b>Total Assets</b>	<b>33,658.30</b>	<b>1,849.71</b>	<b>31,808.59</b>	<b>34,988.90</b>	<b>1,987.44</b>	<b>33,001.46</b>	<b>20,313.96</b>	<b>2,034.16</b>	<b>18,279.80</b>	
<b>Financial Liabilities</b>										
Derivative financial instruments	422.49	422.49	-	212.44	212.44	-	266.32	266.32	-	Price risk, interest rate risk
Trade payables	323.89	-	323.89	345.54	-	345.54	74.35	-	74.35	Price risk, interest rate risk
Debt securities	22,275.76	-	22,275.76	17,970.76	-	17,970.76	12,945.64	-	12,945.64	Price risk, interest rate risk
Borrowings (other than debt securities)	337.18	-	337.18	8,198.80	-	8,198.80	12.01	-	12.01	Interest rate risk
Subordinated Liabilities	161.17	-	161.17	161.26	-	161.26	161.12	-	161.12	Interest rate risk
Other financial liabilities	22.74	-	22.74	16.54	-	16.54	58.65	-	58.65	Interest rate risk
<b>Total Liabilities</b>	<b>23,543.23</b>	<b>422.49</b>	<b>23,120.74</b>	<b>26,905.34</b>	<b>212.44</b>	<b>26,692.90</b>	<b>13,518.09</b>	<b>266.32</b>	<b>13,251.77</b>	



**Edelweiss Finvest Private Limited****Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**48. Risk Management****48.F Market Risk (continued)****Interest Rate Risk**

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of 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. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2019 and at 31 March 2018

**Interest rate sensitivity**

As at March 31, 2019						
	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(0.81)	-	25	0.81	-
Corporate debt securities	25	(2.86)	-	25	2.86	-

As at March 31, 2018						
	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(1.06)	-	25	1.06	-
Corporate debt securities	25	(0.25)	-	25	0.25	-

**Price Risk**

The Company's exposure to securities price risk arises from investments held in Equity Shares classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

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.

As at March 31, 2019						
	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	171.75	-	5	(171.75)	-

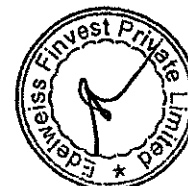
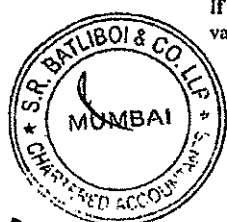
  

As at March 31, 2018						
	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(6.32)	-	5	6.32	-
Equity instruments	5	5.00	-	5	(5.00)	-
Mutual fund units	5	74.94	-	5	(74.94)	-

**48.G Prepayment Risk**

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by Rs. 105.94 million (previous year Rs. 83.61 million)



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

#### 49. First Time adoption

These financial statements, for the year ended 31 March 2019, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

#### Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

#### Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### Share based Payments

The Group has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (1 April 2017).

#### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.



A handwritten signature in black ink, appearing to be a stylized 'S' or 'B' followed by a checkmark-like flourish.

# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 49. First Time adoption (continued)

### Classification and measurement of financial assets:

The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

### Reconciliation of Equity as at:

Particulars	As at 31 March 2018	As at 1 April 2017
Total Equity / Shareholders' Funds as per Previous GAAP	8,384.33	5,396.97
Add: Impact of merger (Refer note 51.1)	-	1,646.04
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:		
Effective interest rate on financial assets and liabilities (net) *	(186.90)	63.87
Expected credit loss provision	(253.58)	(178.35)
Fair valuation of assets and liabilities	249.39	62.49
Others	27.26	-
Deferred tax adjustment on above	82.88	(68.32)
Total adjustment to Equity	(80.94)	(120.31)
Total Equity / Shareholders' Funds as per Ind AS	8,303.39	6,922.70

### Reconciliation of Total Comprehensive Income for the year ended 31 March 2018

Particulars	Year Ended 31 March 2018
Profit as reported under previous GAAP (A)	1,332.20
Ind AS adjustment on account of:	
Effective interest rate on financial assets and liabilities (net) *	(250.77)
Expected credit loss provision	(75.22)
Fair valuation of assets and liabilities	(113.09)
Fair valuation of employee stock options	(1.57)
Others	27.22
Tax effect on above adjustments	145.07
	(268.36)
Net profit as per Ind AS	1,063.84
Other Comprehensive Income for the year (net of tax) - Items that will not be reclassified to profit or loss	0.05
Total Comprehensive Income as per Ind AS	1,063.89

\* The Company has issued benchmark linked debentures (debentures) and is required to segregate the component of host contract and embedded derivative within it to effect appropriate accounting treatment under IND AS. The Company has accordingly carried out the measurement of debentures and recognized reversal of finance cost (pre tax) of Rs. 50.56 million in the transition reserve as at April 1, 2017, and incremental finance cost (pre tax) of Rs. 234.82 million and Rs. 316.85 million in the profit and loss for the financial years 2017-18 and 2018-19 respectively, in line with the requirement under IND AS.



## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 49. First Time adoption (continued)

**Classification and measurement of financial assets:**

**Reference notes to reconciliation of Equity and profit & Loss**

**Remeasurements of post-employment benefit obligations**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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. Thus the employee benefit cost is reduced by Rs. 0.08 million and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

**Share Based Payment**

Under the previous GAAP, the cost of ESOPs were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

**Trade receivables /Loans:**

Under Previous GAAP the Company has created provision for impairment of receivables and Loans based on incurred losses where as under Ind AS, Impairment allowance has been determined based on Expected credit loss model (ECL).

**Effective Interest Rate (EIR)**

Under previous GAAP, Loan Processing fees charged to customer was recognised upfront in Statement of profit and loss while under Ind AS, such fees are included in initial recognition amount of financial assets.

Under previous GAAP, transaction cost on borrowings were charged to Statement of profit and loss upfront while under Ind AS, such cost are included in initial recognition amount of financial liability and is amortised over the tenure of the borrowings.

**Deferred Tax**

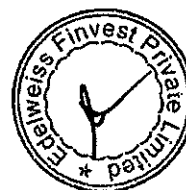
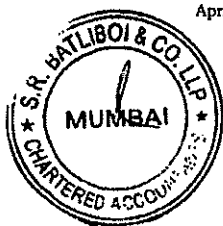
Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

**Valuation of Investments/Securities held for trading**

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Securities held for trading and long term investment based on intent of holding period and realisability Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments, other than investments in Preference shares, are measured at fair value. The investment in Preference shares is measured at amortised cost.

**Reclassification of provision of standard / non-performing assets (NPA)**

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to Rs. 26.97 million and Rs. 591.11 million as on 1 April 2017 and 31 March 2018 respectively.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 50 Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR, PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

### 50.01 Investments

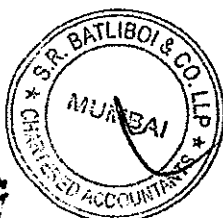
	2019	2018
1) Value of Investments (including Securities held for trading)		
i) Gross Value of Investments		
a) In India	3,004.87	6,317.24
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	3,004.87	6,317.24
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

### 50.02 Capital to Risk Assets Ratio (CRAR)

	2019	2018
i) CRAR (%)	28.44%	23.35%
ii) CRAR - Tier I capital (%)	26.64%	21.92%
iii) CRAR - Tier II Capital (%)	1.80%	1.43%
iv) Amount of subordinated debt raised as Tier-II capital	161.17	161.26
v) Amount raised by issue of Perpetual Debt Instruments		

### 50.03 Exposure to real estate sector, both direct and indirect

	2019	2018
A Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual housing loans up to ₹.15 lakhs may be shown separately)	-	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	14,178.15	17,793.60
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
C Others (not covered above)	-	-



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

**50.04 Exposure to Capital Market**

	2019	2018
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	596.72	593.77
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	3,074.58	976.89
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	6,845.75	8,078.25
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	91.65	82.37
ix) others (not covered above)	-	-
<b>Total Exposure</b>	<b>10,608.70</b>	<b>9,731.28</b>

**50.05 Asset Liability Management -Maturity pattern of certain items of assets and liabilities**

As at 31 March 2019

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter-corporate loan	Loans and Advances	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	3,618.90	12.40	834.35	-	1,142.86
Over One months to 2 months	-	816.78	-	146.95	-	-
Over 2 months up to 3 months	25.00	139.20	-	879.80	-	-
Over 3 months to 6 months	25.00	1,395.31	-	801.90	-	-
Over 6 months to 1 year	50.00	4,560.96	-	2,864.12	-	-
Over 1 year to 3 years	200.00	6,636.87	-	15,131.07	-	-
Over 3 years to 5 years	24.78	2,951.62	-	3,486.62	-	-
Over 5 years	-	2,317.29	-	897.39	1,862.01	-
<b>Total</b>	<b>324.78</b>	<b>22,436.93</b>	<b>12.40</b>	<b>25,042.20</b>	<b>1,862.01</b>	<b>1,142.86</b>

Further, the Company had temporarily deployed its excess liquidity aggregating to Rs. 4,501.92 million as at March 31, 2019 in the short term fixed deposit with the bank. Accordingly, the Company is well poised to meet its contractual obligations over all the maturity due dates.

As at 31 March 2018

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter-corporate loan	Loans and Advances	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	109.65	7,774.17	568.38	-	1,699.74
Over One months to 2 months	-	635.25	-	91.10	-	-
Over 2 months up to 3 months	25.00	306.31	-	728.70	-	-
Over 3 months to 6 months	25.00	3,708.37	-	495.71	-	-
Over 6 months to 1 year	50.00	2,190.73	-	468.07	-	-
Over 1 year to 3 years	200.00	8,290.23	-	14,174.82	-	-
Over 3 years to 5 years	124.63	1,127.77	-	9,980.27	-	-
Over 5 years	-	1,763.73	-	2,315.07	4,617.50	-
<b>Total</b>	<b>424.63</b>	<b>18,132.02</b>	<b>7,774.17</b>	<b>28,822.11</b>	<b>4,617.50</b>	<b>1,699.74</b>

\* The Company had taken temporary borrowing from its related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO/ALM activities had realigned its borrowings and assets profile and had ensured a positive ALM position as at March 31, 2018.





**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

**50.06 Movements of stage 3 assets:**

The following table sets forth, for the periods indicated, the details of movement of stage 3 assets, stage 3 assets net of stage 3 provision and stage 3 provision.

	2019	2018
i) Stage 3 assets net of stage 3 provision to net advances (%)	0.18%	0.00%
ii) Movement of Stage 3 assets		
a) Opening Balance	483.55	-
b) Additions during the year	86.23	1,146.15
c) Reductions during the year*	483.55	662.60
d) Closing balance	86.23	483.55
iii) Movement of Stage 3 assets net of stage 3 provisions		
a) Opening Balance	-	-
b) Additions during the year	43.60	-
c) Reductions during the year	-	-
d) Closing balance	43.60	-
iv) Movement of stage 3 provisions: (excluding provision on Stage 1/Stage 2)		
a) Opening Balance	483.55	-
b) Additions during the year	42.63	1,146.15
c) Reductions during the year	483.55	662.60
d) Closing balance	42.63	483.55

\* Includes stage 3 assets written off during the year Rs 483.55 million (Previous year: Rs 290.80 million)

Note : The movement of stage 3 assets disclosed for the year ended 31st March 2019 and 31st March 2018 is for principal outstanding only as per extant IRAC norms prescribed by the Reserve Bank of India

**50.07 Details of 'Provisions and Contingencies'**

Breakup of provisions and contingencies shown in the Statement of Profit and loss	2019	2018
i) Provisions for depreciation on Investment	-	-
ii) Provision towards Stage 3 assets	(440.33)	493.29
iii) Provision made towards income tax	670.17	477.90
iv) Provision for Stage 1/Stage 2 assets	77.30	133.62
v) Other Provision and Contingencies		
a) Provision for gratuity	4.49	0.26
b) Provision for compensated absences	1.99	0.12

**50.08 Concentration of Deposits, Advances, Exposures and NPAs**

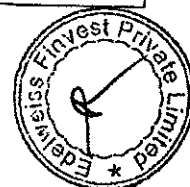
	2019	2018
A) Concentration of Advances		
Total Advances to twenty largest borrowers	15,718.14	17,488.18
% of Advances to twenty largest borrowers to Total Advances	62.77%	60.68%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	15,718.14	17,488.18
% of Exposures to twenty largest borrowers / Customers to Total Advances	62.77%	60.68%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	86.23	483.55
D) Sector-wise NPAs		
Sectors/Particulars	% of NPAs to Total Advances in that sector	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	0.42%	1.80%
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

**50.09 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:**

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

**50.10 Customer Complaints**

	2019	2018
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

50.11 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

**Liabilities Side:**

Particulars	Amount Outstanding		Amount Overdue	
	2019	2018	2019	2018
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	19,286.03	15,849.23	-	-
(ii) Unsecured	3,150.90	2,282.79	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	324.78	424.63	-	-
d) Inter-corporate loans and borrowing	-	7,761.96	-	-
e) Commercial Paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Inter corporate loan	12.40	12.21	-	-
	-	-	-	-

**Assets side:**

	Amount Outstanding	
	2019	2018
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	22,365.26	28,283.27
b) Unsecured	2,676.94	538.84
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments (including Securities held for trading):		
a) Quoted:		
(i) Shares: Equity	-	100.00
Preference	-	-
(ii) Debentures and Bonds	1,142.86	101.01
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	1,498.73
(v) Others (Pass through certificates)	-	-



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

50.11 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

4) Break up of Investments (Continued)		Amount Outstanding	
		2019	2018
Long-Term Investments (Net of Provision)			
a) Quoted:			
(i) Shares: Equity		-	-
Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
b) Unquoted:			
(i) Shares: Equity		596.72	593.77
Preference		37.27	25.69
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
- Investments in security receipts of trusts		845.69	3,692.00
- Investments in units of funds		382.33	306.04
- Investments in warrants		-	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above  
As at 31 March 2019

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	1,422.14	1,422.14
2. Other than related parties	21,885.18	1,253.23	23,138.41
<b>TOTAL</b>	<b>21,885.18</b>	<b>2,675.37</b>	<b>24,560.55</b>

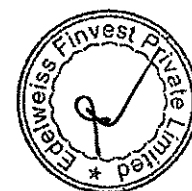
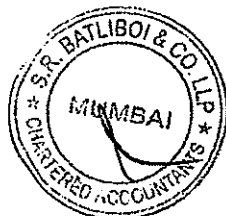
As at 31 March 2018

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	27.07	27.07
(c) Other related parties	-	-	-
2. Other than related parties	27,438.89	511.48	27,950.36
<b>TOTAL</b>	<b>27,438.89</b>	<b>538.54</b>	<b>27,977.43</b>

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	2019	2018	2019	2018
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	880.82	914.82	880.82	914.82
(c) Other related parties	-	-	-	-
2) Other than related parties	2,124.05	5,402.42	2,124.05	5,402.42
<b>TOTAL</b>	<b>3,004.87</b>	<b>6,317.24</b>	<b>3,004.87</b>	<b>6,317.24</b>

\*\* As per Ind AS 24 - Related Party Disclosures



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

50.11 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

**7) Other Information**

Particulars	2019	2018
a) Gross Stage 3 assets		
1) Related parties	-	-
2) Other than related parties	86.23	483.55
b) Stage 3 Assets Net of Provision		
1) Related parties	43.60	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

**Notes:**

- 1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- 2 Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

50.12 Registration obtained from other financial sector regulators - None

50.13 The Company has not restructured any loans and advances during the year ended 31 March 2018 and 31 March 2017.

50.14 Disclosure of Penalties imposed by RBI and other regulators- None

50.15 Overseas Assets - Nil (Previous year - Nil)

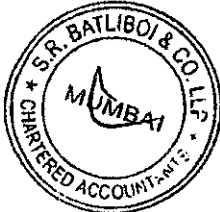
50.16 Details of financing of parent company products - None (Previous year - none)

50.17 Off-Balance sheet SPV sponsored - None (Previous year - none)

50.18 Draw Down from Reserves: (Previous year - Nil)

50.19 Disclosure of Penalties imposed by RBI and other regulators- Nil (Previous year - Nil)

50.20 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**50.21 Details of ratings assigned by credit rating agencies**
**As at 31 March 2019**

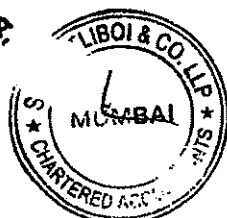
Instrument category	Brickworks	CRISIL	CARE	ICRA
i) Long Term Instruments				
Rating	AA+	AA/Stable	AA	AA
Amount	3,000	12,000	1,500	13,000
ii) Short term instruments				
Rating		A1+		A1+
Amount	-	10,000	-	12,000
iii) Market linked debentures				
a Short Term		PP- MLD A1+R		PP-MLD [ICRA]A1+
Rating		5,000		1,500
Amount				
b Long Term				
Rating	PP-MLD AA+	PP MLD AA	PP MLD-AA	PP-MLD [ICRA]AA
Amount	3,000	29,000	6,893	10,070

**As at 31 March 2018**

Instrument category	Brickworks	CRISIL	ICRA
i) Long Term Instruments			
Rating	AA+	AA/Stable	AA
Amount	3,300	12,000	13,500
ii) Short term instruments			
Rating		A1+	A1+
Amount		10,000	10,000
iii) Market linked debentures			
a Short Term		PP- MLD A1+R	PP-MLD [ICRA]A1+
Rating		5,000	1,500
Amount			
b Long Term			
Rating	PP-MLD AA+	PP MLD AA	PP-MLD [ICRA]AA
Amount	3,000	11,500	13,000

**50.22 Details of transaction with non executive directors**

The Company has not undertaken any transaction with it's non-executive directors during the year ended 31 March 2019 (Previous year: Nil).



## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

### 51 Other disclosure

#### 51.1 Assets and liabilities acquired on account of merger of finance division of Edelweiss Finance and Investments Limited, a fellow subsidiary

- i) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 and Sections 230 to 232 of the Companies Act 2013 sanctioned by the National Company Law Tribunal, Mumbai Bench vide its order dated 25 July 2017 ("the Order"), Edelweiss Finance & Investments Limited (EFIL), a fellow subsidiary, ("The Demerged Company" or "The Transferor Company"), has demerged the Lending and Investment Business to Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited) ("First Resulting Company" or "EW Finvest"), which is another NBFC engaged in the business of lending and investments, and the Training Centre Business to Edel Land Limited ("Second Resulting Company" or "ELL") which undertakes real estate activities with effect from 1 April 2016 ("the Appointed Date"). The scheme has come into effect from 1 August 2017 ("the Effective Date"). Accordingly, the opening balance sheet of the Company as at 1 April 2017 has been prepared taking into account the effect of the said Order.

ii) In accordance with the Scheme:

On the Scheme becoming effective with effect from the Appointed date, the Company has taken over all the assets aggregating Rs.10,214,424,626 and liabilities aggregating to Rs. 8,737,815,930 as appearing in the books of Transferor Company related to business of lending and investment business at its respective book value as on Appointed Date. Net asset acquired include.

Asset/Liabilities received under the Scheme	Amount in Rs. Million
<b>Assets</b>	
Investments	3,650.54
Deferred Tax	104.93
Loans and Advances	5,801.16
Other Current Assets and Trade Receivables	657.79
<b>Total Assets (A)</b>	<b>10,214.42</b>
<b>Liabilities</b>	
Long Term Borrowings	5,874.52
Provisions	65.78
Trade Payables	17.95
Other current liabilities	1,555.56
Short term borrowings	1,224.00
<b>Total Liabilities (B)</b>	<b>8,737.82</b>
<b>Net assets transferred (A-B)</b>	<b>1,476.61</b>

- iii) The Scheme of arrangement is a tax neutral merger as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 and accordingly, the assets and liabilities as on appointed date were transferred at cost. The Company has issued 8,279,275 equity shares of Rs.10 each at premium of Rs. 168.35 each equity share aggregating to Rs. 1,476,608,696 to Edelweiss Financial Services Limited the 100% shareholder of Edelweiss Finance & Investment Limited in settlement of the purchase consideration for the lending and investment business acquired.
- iv) On account of merger, The Company has received profit after tax of Rs. 286,006,643 from April 1st, 2016 (appointed date) to March 31st, 2017 from Edelweiss Finance & Investments Limited.
- v) The company has cancelled its 466,300, 0.01% Compulsorily convertible non- cumulative preference shares - Series A at par having face value of Rs. 10 each and premium of Rs. 240 each. These shares were held by EFIL and transferred to the Company on account of merger.



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

**51 Other disclosure (continued)****51.2 Open interests equity index futures / equity stock futures have open interests as at 31 March 2019**

Index Name	Maturity grouping	<u>Long Position</u>		<u>Short Position</u>	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	2,549	191,175	-	-
Stock future	< 1 month	1,200	1,054,874	-	-

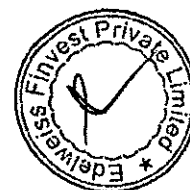
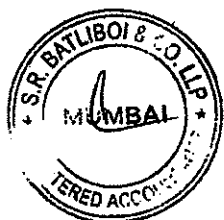
Open interests equity index futures / equity stock futures have open interests as at 31 March 2018

Index Name	Maturity grouping	<u>Long Position</u>		<u>Short Position</u>	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	-	-	519	38,925
Stock future	< 1 month	361	379,975	-	-

Option contracts are outstanding as on balance sheet date

Option Type	31 March 2019		31 March 2018	
	Premium paid (Net of provision made)	Premium received (Net of provision made)	Premium paid (Net of provision made)	Premium received (Net of provision made)
Equity Index	379.35	1.33	0.03	10.56

- 51.3** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.



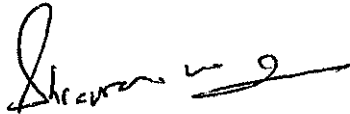
# Edelweiss Finvest Private Limited

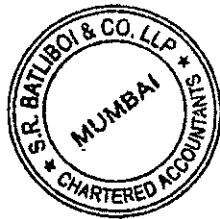
Notes to the financial statements (continued)  
(Currency: Indian rupees in million)

52 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

  
per Shrawan Jalan  
Partner  
Membership No: 102102



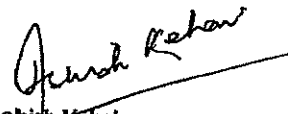
Mumbai May 13, 2019

For and on behalf of the Board of Directors

  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

  
Sheeta Gandhi  
Chief Financial Officer

Mumbai May 13, 2019

  
Ashish Kehair  
Director  
DIN: 07789972

  
Niket Joshi  
Company Secretary





## INDEPENDENT AUDITOR'S REPORT

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SA), 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 Standalone 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 ("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 Standalone Ind AS financial statements.

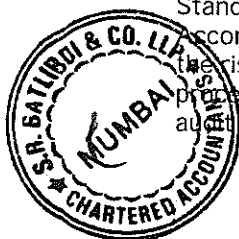
### Emphasis of matter

We draw attention to Note 55A to the Standalone Ind AS financial statements, which describes the economic and social disruption as a result of the COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS 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 Standalone Ind AS 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 Ind AS 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 Ind AS financial statements.



# S.R. BATLIBOI & CO. LLP

Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial assets at balance sheet date (expected credit losses) (as described in note 12 of the Standalone Ind AS financial statements)	
<p>Ind AS 109 requires the Company to provide for impairment of its financial assets as at the reporting date using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets (loan portfolio).</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none"><li>• Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);</li><li>• Calculation of past default rates</li><li>• Assigning rating grades to customers for which external rating is not available</li><li>• Calibrating external ratings-linked probability of default to align with past default rates</li><li>• Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products</li><li>• Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;</li><li>• Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans.</li></ul> <p>Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package ("RBI circular"), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.</p> <p>In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in SICR for such borrowers. The Company has recorded a management overlay as part of its risk to reflect among other things an increased deterioration in macro-economic factors</p>	<ul style="list-style-type: none"><li>• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020.</li><li>• Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.</li><li>• Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.</li><li>• We performed test of details of the inputs used in the ECL computation, on a sample basis.</li><li>• Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic).</li><li>• Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</li><li>• Assessed disclosures included in the Standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.</li></ul>



# S.R. BATLIBOI & CO. LLP

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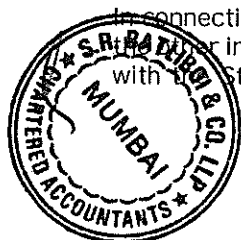
Key audit matters	How our audit addressed the key audit matter
<p>caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated.</p> <p>In view of such high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.</p>	
<b>(b) Information technology (IT) systems and controls</b>	
<p>The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors:</p> <ul style="list-style-type: none"><li>• The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls;</li><li>• Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting;</li><li>• Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.</li><li>• Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.</li><li>• Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li></ul>

## Other Information

The 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 Standalone Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.

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 such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise



## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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.

When we read the Annual 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 Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are 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 SA 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 Standalone 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.



## **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

- 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 Standalone 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 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 the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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 Standalone 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;

On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



## **S.R. BATLIBOI & CO. LLP**

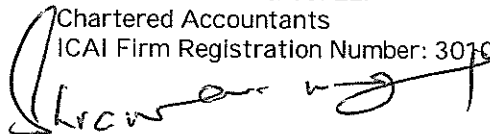
Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
- (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 has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 41 to the Standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 53 to the Standalone Ind AS financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

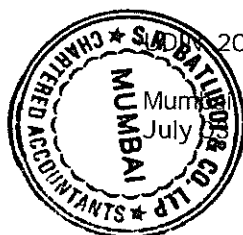


per Shrawan Jalan

Partner

Membership Number: 102102

20102102AAAAHI9544



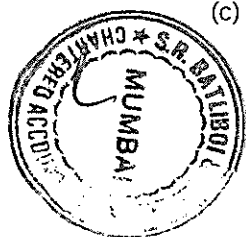
# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Edelweiss Finvest Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) The Company has granted loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows:



## S.R. BATLIBOI & CO. LLP

Chartered Accountants

Name of the statute	Nature of disputed dues	Amount under# dispute (Rs. in millions)	Amount paid* (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	83.82	24.25	AY 2014-15	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12.57	-	AY 2015-16	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	127.57	-	AY 2017-18	The Commissioner of Income Tax (Appeals)

\* paid under protest

# includes interest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (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 the Act where applicable and the details have been disclosed in the notes to the Standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.

According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.



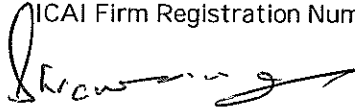


**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S. R. Batliboi & Co. LLP  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner  
Membership Number: 102102

UDIN: 20102102AAAAHI9544

Mumbai  
July 03, 2020



## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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 Finvest Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone 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 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS 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 Standalone Ind AS financial statements.



## ***S.R. BATLIBOI & Co. LLP***

Chartered Accountants

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

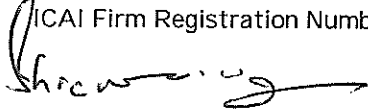
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAHI9544

Mumbai

July 03, 2020

**Edelweiss Finvest Private Limited**

Balance Sheet as at March 31, 2020

(Currency - Indian rupees in million)

		As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>ASSETS</b>				
<b>Financial assets</b>				
(a) Cash and cash equivalents	8	1,415.29	4,670.11	363.75
(b) Derivative financial instruments	9	1,563.67	706.85	287.70
(c) Securities held for trading	10	5,070.58	1,142.86	1,699.74
(d) Receivables				
(i) Trade receivables	11	2.60	21.34	12.85
(ii) Other receivables	11	2.78	26.46	10.60
(e) Loans	12	9,237.76	24,560.55	27,977.43
(f) Investments	13	6,327.45	1,862.01	4,617.50
(g) Other financial assets	14	534.40	668.12	19.33
		<b>24,154.53</b>	<b>33,658.30</b>	<b>34,988.90</b>
<b>Non-financial assets</b>				
(a) Current tax assets (net)	15	156.63	147.32	146.82
(b) Deferred tax assets (net)	16	261.19	114.22	286.97
(c) Property, Plant and Equipment	17	2.19	1.35	1.13
(d) Other Intangible assets	17	4.05	6.35	-
(e) Other non-financial assets	18	146.46	101.56	58.90
		<b>570.52</b>	<b>370.80</b>	<b>493.82</b>
<b>TOTAL ASSETS</b>		<b>24,725.05</b>	<b>34,029.10</b>	<b>35,482.72</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
(a) Derivative financial instruments	9	236.46	422.49	212.44
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	226.45	323.89	345.54
(c) Debt securities	20	13,160.17	22,275.76	17,970.76
(d) Borrowings (other than debt securities)	21	352.11	337.18	8,198.80
(e) Subordinated liabilities	22	161.09	161.17	161.26
(f) Other financial liabilities	23	0.45	22.74	16.54
		<b>14,136.73</b>	<b>23,543.23</b>	<b>26,905.34</b>
<b>Non-financial liabilities</b>				
(a) Current tax liabilities (net)	24	163.23	77.40	66.45
(b) Provisions	25	7.42	14.90	2.36
(c) Other non-financial liabilities	26	43.04	42.07	18.65
		<b>213.69</b>	<b>134.37</b>	<b>87.46</b>
<b>Equity</b>				
(a) Equity share capital	27	333.26	333.26	333.26
(b) Instruments entirely equity in nature	28	-	-	-
(c) Other equity	29	10,041.37	10,018.24	8,156.66
		<b>10,374.63</b>	<b>10,351.50</b>	<b>8,489.92</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>24,725.05</b>	<b>34,029.10</b>	<b>35,482.72</b>

\* Refer Note no. 54

The accompanying notes are an integral part of the financial statements

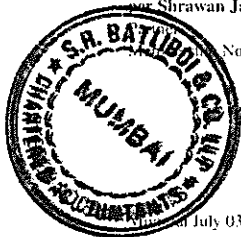
1 to 56

As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

*[Signature]*

Shrawan Jalan  
No: 102102



July 03, 2020

For and on behalf of the Board of Directors

*[Signature]*  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

*[Signature]*  
Ashish Kehar  
Director  
DIN: 07789972

**Edelweiss Finvest Private Limited**

**Statement of Profit and Loss for the year ended March 31, 2020**

(Currency: Indian rupees in million)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from operations</b>			
Interest income	30	2,088.70	4,702.61
Dividend income	31	0.71	170.18
Fee income	32	41.27	119.39
Net gain / (loss) on fair value changes (including treasury income)	33	1,095.17	265.60
<b>Other income</b>	34	3.94	0.01
<b>Total Revenue</b>		<b>3,229.79</b>	<b>5,257.79</b>
<b>Expenses</b>			
Finance costs	35	1,772.78	2,264.01
Net loss on derecognition of financial instruments	36A	20.13	-
Impairment on financial instruments	36B	500.31	119.59
Employee benefits expense	37	99.41	112.76
Depreciation, amortisation and impairment	17	2.83	0.89
Other expenses	38	516.62	217.48
<b>Total expenses</b>		<b>2,912.08</b>	<b>2,714.73</b>
<b>Profit before tax</b>		<b>317.71</b>	<b>2,543.06</b>
<b>Tax expenses (Refer Note 39B)</b>			
(1) Current tax			
a) Current Tax	39	276.76	680.12
b) Adjustment in respect of current income tax of prior years	39	(60.39)	(9.95)
		<b>216.37</b>	<b>670.17</b>
(2) Deferred tax expense / (credit) (net)	39	(147.04)	164.87
<b>Total Tax</b>		<b>69.33</b>	<b>835.04</b>
<b>Profit for the year</b>		<b>248.38</b>	<b>1,708.02</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		0.21	(1.89)
Income tax - OCI - that will not be reclassified		(0.05)	0.66
<b>Total</b>		<b>0.16</b>	<b>(1.23)</b>
<b>Total comprehensive income</b>		<b>248.54</b>	<b>1,706.79</b>
<b>Earnings per equity share (Face value of Rs. 10 each):</b>			
(1) Basic (INR)	40	7.45	51.25
(2) Diluted (INR)	40	7.45	51.25

The accompanying notes are an integral part of the financial statements

1 to 56

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No. 102102



For and on behalf of the Board of Directors

*Amit Dhawan*  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

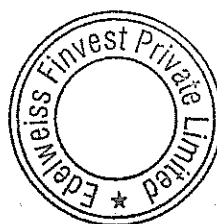
*Ashish Kehar*  
Ashish Kehar  
Director  
DIN: 07789972

**Edelweiss Finvest Private Limited**

**Statement of Cash flows for the year ended March 31, 2020**

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Cash flow from operating activities</b>		
Profit before tax	317.71	2,543.06
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation	2.83	0.89
Impairment on financial instruments (net)	500.31	119.59
Fair value of financial instruments (net)	1,027.09	(167.73)
Provision for gratuity and compensated absences	(7.27)	10.65
Profit on sale of fixed assets (net)	-	(0.19)
<b>Working capital changes (net)</b>	<b>1,840.67</b>	<b>2,506.27</b>
<i>Increase / (Decrease) for working capital changes (net)</i>		
Trade and other receivables	(6.87)	(23.42)
Securities held for trading	(4,594.03)	529.37
Other financial assets	(943.38)	(1,005.96)
Loans	14,871.79	3,296.36
Investments	(4,658.91)	2,888.75
Other non financial assets	(44.88)	(42.66)
Trade payables	(97.44)	(21.65)
Non financial liabilities	0.97	23.42
Other financial liability	304.88	438.37
	<b>6,672.80</b>	<b>8,588.85</b>
Income taxes paid	(139.87)	(659.72)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>6,532.93</b>	<b>7,929.13</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(1.40)	(8.13)
Sale of property, plant and equipment and intangible assets	0.03	0.86
<b>Net cash used in investing activities - B</b>	<b>(1.37)</b>	<b>(7.27)</b>
<b>C Cash flow from financing activities</b>		
Increase in debt securities (refer note 1 below)	(9,765.03)	4,246.27
(Decrease) / increase in borrowings other than debt securities (refer note 1 below)	(21.35)	(7,861.77)
Increase / (Decrease) in Subordinate Debt	-	-
<b>Net cash (used in) / generated from financing activities - C</b>	<b>(9,786.38)</b>	<b>(3,615.50)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3,254.82)</b>	<b>4,306.36</b>
Cash and cash equivalent as at the beginning of the year	4,670.11	363.75
Cash and cash equivalent as at the end of the year	1,415.29	4,670.11
	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Operational cash flows from interest and dividends</b>		
Interest paid	1,233.04	2,058.56
Interest received	3,846.56	4,213.58
Dividend received	0.71	170.18



**Edelweiss Finvest Private Limited**

**Statement of Cash flows for the year ended March 31, 2020**

(Currency: Indian rupees in million)

**Cash Flow Statement (continued)**

**Notes:**

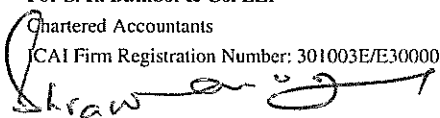
- 1 Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
- 2 Above Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the companies Act ,2013.
- 3 Refer note 43 for disclosure relating to changes in liabilities arising from financing activities

As per our report of even date attached

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

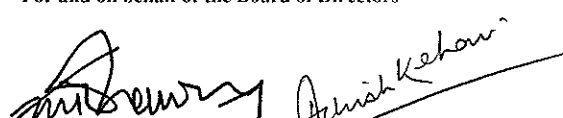


per Shrawan Jalan

Partner

Membership No: 102102

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



Amit Dhawan

Managing Director & CEO

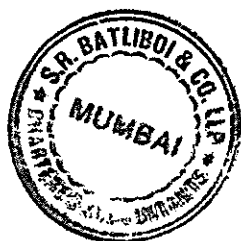
DIN: 02800746

Ashish Kehar

Director

DIN: 07789972

Mumbai July 03, 2020



Edelweiss Finvest Private Limited

Statement of Changes in Equity for the year ended March 31, 2020

(Currency: Indian rupees in million)

A. Equity Share Capital

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Outstanding as on April 1, 2019	Issued during the year	Outstanding as on March 31, 2020	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019
Issued, subscribed and paid up (Equity shares of Rs 10 each, fully paid-up)	333.26	-	333.26	333.26	0.00	333.26

B. Other Equity

	Capital redemption reserve	Securities Premium	Statutory Reserve	Retained Earnings	Deemed Capital Contribution - Equity	Deemed Capital Contribution - Preference Shares	Total Attributable to equity holders
Balance as at 1st April 2018	84.34	3,752.55	801.00	3,516.52	2.25	-	8,156.66
Profit for the year	-	-	-	1,708.02	-	-	1,708.02
Other comprehensive income	-	-	-	(1.23)	-	-	(1.23)
	84.34	3,752.55	801.00	5,223.31	2.25	-	9,863.45
Shares issued during the year	-	-	-	-	-	-	-
Premium received on issue of debentures	-	163.33	-	-	-	-	163.33
Income tax impact on ESOPs	-	-	-	(8.54)	-	-	(8.54)
Transfer to statutory reserve	-	-	341.60	(341.60)	-	-	-
Balance as at March 31, 2019	84.34	3,915.88	1,142.60	4,873.17	2.25	-	10,018.24
Profit for the year	-	-	-	248.38	-	-	248.38
Other comprehensive income	-	-	-	0.16	-	-	0.16
	84.34	3,915.88	1,142.60	5,121.71	2.25	-	10,266.78
Premium transfer to financial liability	-	(172.44)	-	-	-	-	(172.44)
Transfer to statutory reserve	-	-	86.98	(86.98)	-	-	-
Deemed distribution during the year	-	-	-	-	-	(52.97)	(52.97)
Balance as at March 31, 2020	84.34	3,743.44	1,229.58	5,034.73	2.25	(52.97)	10,041.37

As per our report of even date attached

The accompanying notes 1 to 56 are an integral part of the financial statements

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan  
Partner  
Membership No. 102102

For and on behalf of the Board of Directors

Amit Dhawan  
Managing Director & C.E.O  
DIN: 02809746

Ashish Kehar  
Director  
DIN: 07789972

Mumbai July 03, 2020





Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

### 1. Corporate information:

Edelweiss Finvest Private Limited ('the Company') a private limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of ECap Equities Limited. The Company was incorporated on August 23, 2006, and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company is primarily engaged in the business of corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and real estate finance to developers and under the retail credit vertical it offers loan against securities.

### 2. Basis of preparation:

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, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

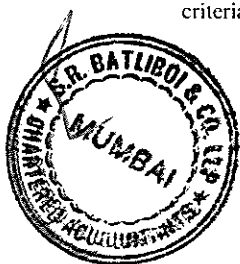
### 3. Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 44-Maturity Analysis of assets and liabilities".

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

Derivative assets and liabilities with master netting arrangements [e.g. ISDAs (International Swaps and Derivatives Association)] are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.



#### 4. Significant accounting policies

##### 4.1 Recognition of interest income and dividend income

###### 4.1.1 Effective interest rate (EIR):

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 flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR 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 financial asset. 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.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

###### 4.1.2 Interest income:

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal interest income on delayed EMI or pre EMI is recognised on receipt basis.

###### 4.1.3 Dividend income:

The Company recognised dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

###### 4.1.4 Fee and Commission Income:

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

###### 4.1.5 Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. Other ancillary charges are recognized upon realisation.

##### 4.2 Financial instruments:

###### 4.2.1 Date of recognition:

Financial assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date 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. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

#### 4.2.2 Initial measurement of financial instruments:

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

#### 4.2.3 Day 1 profit and 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.

#### 4.2.4 Classification & measurement categories of financial assets and liabilities:

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:

##### Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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. The changes in carrying value of financial assets is recognised in profit and loss account.

##### Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

##### Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

#### 4.3 Financial assets and liabilities:

##### 4.3.1 Amortized cost and effective interest method

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including



**Edelweiss Finvest Private Limited**

**Notes to the financial statement for the year ended March 31, 2020**

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.

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

**4.3.2 Financial assets held for trading:**

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

**4.3.3 Investment in equity instruments:**

The Company subsequently measures all equity investments (other than subsidiaries, associates, and other group companies) 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 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Investments in subsidiaries and associates are carried at cost as permitted under Ind AS 27 (Consolidated and Separate Financial Statements). The investment in other group companies are carried at cost

**4.3.4 Financial liabilities:**

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

**4.3.5 Derivative financial instruments:**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

**4.3.6 Debt securities and other borrowed funds:**

The Company measures debt issued and other borrowed funds at Amorisred cost at each reporting date. 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.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

**4.3.7 Financial assets and financial liabilities at fair value through profit or loss:**



**Edelweiss Finvest Private Limited**

**Notes to the financial statement for the year ended March 31, 2020**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group 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
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

**4.3.8 Loan commitments:**

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

**4.3.9 Financial liabilities and equity instruments**

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

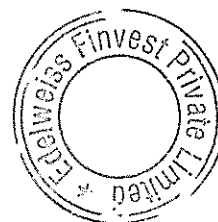
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**4.4 Reclassification of financial assets and 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. The Company didn't reclassify any of its financial assets or liabilities in current period and previous period.

**4.5 Derecognition of financial Instruments:**

**4.5.1 Derecognition of financial asset**



**Edelweiss Finvest Private Limited**

**Notes to the financial statement for the year ended March 31, 2020**

A financial asset (or, where applicable a part of a financial asset or a part of a group 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 the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

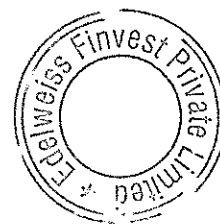
- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

**4.5.2 Derecognition of financial liabilities**



**Edelweiss Finvest Private Limited**

**Notes to the financial statement for the year ended March 31, 2020**

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, is recognised statement of profit and loss.

**4.6 Impairment of financial assets:**

The Company records provisions based on expected credit loss model ("ECL") on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

**Simplified approach**

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.

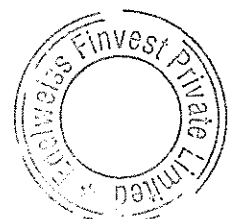
**General approach**

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

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

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (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.

Company categories its financial assets as follows:



**Edelweiss Finvest Private Limited**

**Notes to the financial statement for the year ended March 31, 2020**

**Stage 1 assets:**

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

**Stage 2 assets:**

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

**Stage 3 assets:**

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

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.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facilities with a right to Company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

**4.7 Collateral valuation:**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and reassessed on a quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

**4.8 Write-offs:**

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

**4.9 Determination of fair value:**

The Company measures financial instruments, such as, derivatives at fair value at each reporting 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:





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**Notes to the financial statement for the year ended March 31, 2020**

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

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

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

**Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments:**

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments:**

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

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

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

**4.10 Leases:**

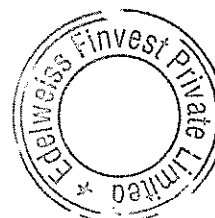
**Company as a lessee:**

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In



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**Notes to the financial statement for the year ended March 31, 2020**

calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**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.

**Company as lessor:**

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

**4.11 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.

**4.12 Foreign currency transaction:**

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

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

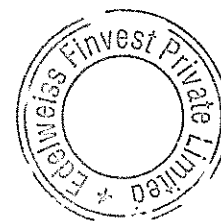
**4.13 Retirement and other employee benefit:**

**4.13.1 Provident fund:**

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.

**4.13.2 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.



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**Notes to the financial statement for the year ended March 31, 2020**

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, 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.

Remeasurement are not reclassified to profit or loss in subsequent periods.

**4.13.3 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.

**4.13.4 Deferred bonus:**

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles.

**4.13.5 Equity-settled share-based payments:**

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

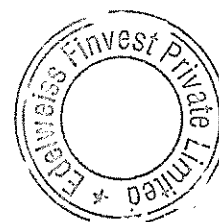
**4.14 Property, plant and equipment:**

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 are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

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

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



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Notes to the financial statement for the year ended March 31, 2020

Nature of assets	Estimated useful lives
Building (other than factory building)	60 years
Vehicles	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:**

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

**4.16 Impairment of non-financial assets:**

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

**4.17 Provisions and other contingent liabilities:**

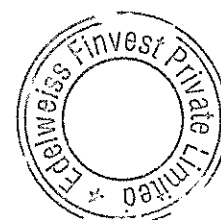
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money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

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. 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.

**4.18 Income tax expenses:**

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



**4.18.1 Current tax:**

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

**4.18.2 Deferred tax:**

Deferred tax is 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.

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.

**4.18.3 Current and deferred tax for the year:**

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

**4.19 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. Significant accounting judgements, estimates and assumptions :**

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.

**Critical judgements in applying accounting policies:**

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**5.1 Business model assessment :**



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

#### 5.2 Significant increase in credit risk:

As explained in note 48.D.1, 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. 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.

#### Key sources of estimation uncertainty:

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

#### 5.3 Fair value of financial instruments:

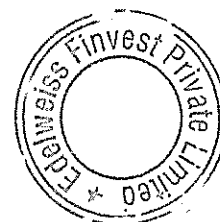
The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that 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.

#### 5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1.1, 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 potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

#### 5.5 Impairment of Financial assets:



The measurement of impairment losses across all categories of financial assets except assets valued at fair value through Profit & Loss account (FVTPL) 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:

- PD calculation 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 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, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

#### 5.6 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### 5.7 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

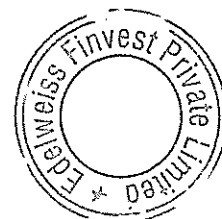
#### 5.8 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

#### Standards issued but not yet effective :

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



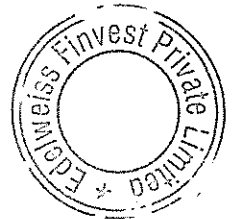
**Edelweiss Finvest Private Limited**

**Notes to the financial statement for the year ended March 31, 2020**

**7. Subsequent Events:**

**7.1 Scheme of Amalgamation for Merger**

A Scheme of Amalgamation for merger of the Company ("Transferor Company") with Edel Finance Company Limited ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with National Company Law Tribunal ("NCLT") on May 22, 2020.





**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

**8. Cash and cash equivalents**

**Cash in hand**

Cash in hand

0.01

-

0.01

**Balances with banks**

- in current accounts

1,415.28

118.19

313.73

- in fixed deposits with banks

-

4,501.91

-

- in fixed deposits with banks to the extent held as security against borrowings (refer note 8.A below)

-

50.01

50.01

**1,415.29**

**4,670.11**

**363.75**

Fixed deposit balances with banks earn interest at fixed rate

**8.A Encumbrances on fixed deposits held by the Company :**

Fixed deposits pledged against overdraft facility

RBL Bank Limited

-

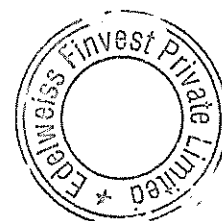
50.01

50.01

**-**

**50.01**

**50.01**



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency - Indian rupees in million)

**9. Derivative financial instruments**

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts / units held

Particulars	March 31, 2020							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	4,97,353	13.60	No of Shares	INR	8,25,774	10.14
Less: amounts offset				(13.60)				(10.14)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	27,630	3.42	Index Units	INR	29,325	22.32
Options purchased	Index Units	INR	4,15,650	172.01				
Options sold (written)				-	Index Units	INR	99,300	127.41
Less: amounts offset				(3.42)				(22.32)
(Refer Note 9.A)								
Subtotal(ii)				172.01				127.41
(iii) Embedded derivatives								
In market linked debentures*				1,391.66				109.05
Subtotal(iii)				1,391.66				109.05
<b>Total Derivative Financial Instruments</b>				<b>1,563.67</b>				<b>236.46</b>

Particulars	March 31, 2019							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	9,47,349	13.79	No of Shares	INR	1,07,525	1.24
Less: amounts offset				(13.79)				(1.24)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	1,91,175	20.55				
Options purchased	Index Units	INR	2,13,150	379.35				
Options sold (written)				-	Index Units	INR	2,14,950	1.33
Less: amounts offset				(20.55)				(1.33)
(Refer Note 9.A)								
Subtotal(ii)				379.35				-
(iii) Embedded derivatives								
In market linked debentures*				327.50				422.49
Subtotal(iii)				327.50				422.49
<b>Total Derivative Financial Instruments</b>				<b>706.85</b>				<b>422.49</b>

Particulars	April 01, 2018							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	2,11,725	1.10	No of Shares	INR	1,68,250	0.56
Less: amounts offset				(1.10)				(0.56)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	38,925	0.77				
Options purchased	Index Units	INR	44,475	0.03				
Options sold (written)				-	Index Units	INR	45,350	10.56
Less: amounts offset				(0.77)				(10.56)
(Refer Note 9.A)								
Subtotal(ii)				0.03				-
(iii) Embedded derivatives								
In market linked debentures*				287.67				212.44
Subtotal(iii)				287.67				212.44
<b>Total Derivative Financial Instruments</b>				<b>287.70</b>				<b>212.44</b>

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

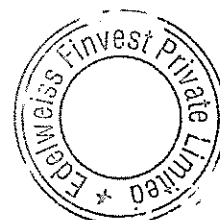
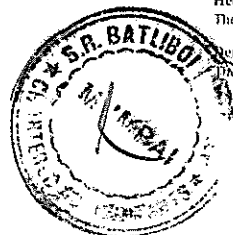
\*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Refer Note 4.3.6 and 4.3.7 for further details.

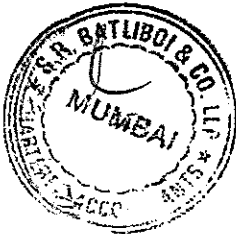
**Hedging activities and derivatives**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity

derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments





Edelweiss Private Equity & Real Estate Fund Management Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in millions)

#### 9.A Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet

##### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-20	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross assets before offset	Amount offset	Net assets recognised in the balance sheet	Financial assets	Collaterals paid	Assets recognised on the balance sheet		
Derivative Assets	17,102	(17,102)	-	-	-	1,563.17	1,563.17	After consideration of netting potential
Margin placed with brokers*	5,16.36	(15,444)	500.92	-	-	500.92	500.92	

##### Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-20	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised in the balance sheet	Financial Assets	Collaterals paid	Liabilities recognised on the balance sheet		
Derivative Liabilities	159.37	(32,466)	127.41	-	-	199.05	236.46	After consideration of netting potential

##### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-20	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross assets before offset	Amount offset	Net assets recognised in the balance sheet	Financial assets	Collaterals paid	Assets recognised on the balance sheet		
Derivative Assets	34.34	(33,343)	-	-	-	708.55	708.55	After consideration of netting potential
Margin placed with brokers*	644.57	(3,177)	646.34	-	-	646.34	646.34	

##### Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-20	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised in the balance sheet	Financial Assets	Collaterals paid	Liabilities recognised on the balance sheet		
Derivative Liabilities	1.24	(2,573)	-1.33	-	-	-422.49	-421.16	After consideration of netting potential

9.A Offsetting (continued)

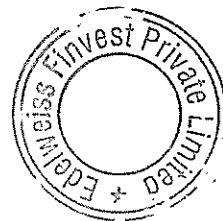
##### Financial Assets subject to offsetting, netting arrangements

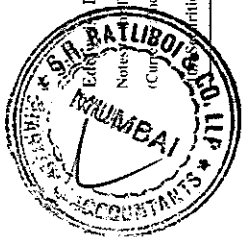
As at 31-Mar-20	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross assets before offset	Amount offset	Net assets recognised in the balance sheet	Financial assets	Collaterals paid	Assets recognised on the balance sheet		
Derivative Assets	1.87	(1,874)	-	-	-	287.76	287.76	After consideration of netting potential
Margin placed with brokers*	28.58	(19,241)	19.33	-	-	19.33	19.33	

##### Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-20	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised in the balance sheet	Financial Assets	Collaterals paid	Liabilities recognised on the balance sheet		
Derivative Liabilities	11.12	(11,122)	-	-	-	212.44	212.44	After consideration of netting potential

\* As at the reporting date, cash margin received that has been offered against the gross derivative assets. Also, cash margin paid that has been offered against the gross derivative liabilities





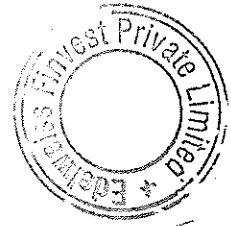
**Finvest Private Limited**  
**Financial Statements for the year ended March 31, 2020**  
 (Indian rupees in million)

Securities held for trading:

At fair value through profit and loss account

	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount
<b>Debt Securities</b>									
10.70% Dewan Housing Finance Limited 10.06.2021 Bonds	10,00,000	100	30.41	10,00,000	100	104.59	-	-	-
8.90% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	3,00,000	81.25	1,000	3,00,000	300.36	-	-	-
9.00% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	4,46,000	104.11	1,000	4,46,000	417.56	-	-	-
9.60% SREI Equipment Finance Limited 25.05.2028 Bonds	1,000	3,32,006	400.21	1,000	3,14,673	320.35	-	-	-
8.85% Indiabulls Commercial Credit Limited 28.03.2028 Bonds	1,00,000	125	5.33	-	-	-	-	-	-
9.75% Edelweiss Retail Finance Limited Perpetual Bonds	10,00,000	71	40.35	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 07.10.2028 Bonds	6,57,526	257	222.57	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 27.04.2027 NCD	8,89,867	1,243	857.55	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 28.03.2027 NCD	6,82,056	1,923	1,975.85	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 28.08.2027 Bonds	9,75,850	980	1,167.54	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 23.07.2023 NCD	10,00,000	10	10.23	-	-	-	-	-	-
Edelweiss Asset Reconstruction Company Limited - NLD	1,00,000	107	15.26	-	-	-	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly	-	-	-	-	-	-	1,000.00	315.00	0.37
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly Cumulative	-	-	-	-	-	-	1,000.00	7,471.00	13.11
11.85% ECL Finance Limited 28.01.2019 NCD - Monthly Cumulative	-	-	-	-	-	-	1,000.00	53,305.00	87.53
<b>Total Debt Securities (A)</b>			<b>4,910.66</b>			<b>1,142.86</b>			<b>101.01</b>
<b>Equity Instruments (Unquoted)</b>									
JM Equity Fund - Monthly Dividend Option - Payout	-	-	-	-	-	-	20.95	8,35,17,071	998.73
HOI Axa Treasury Advantage Fund - Direct Plan - Growth	-	-	-	-	-	-	2,125.00	2,35,293	500.00
<b>Total Mutual Fund (B)</b>			<b>-</b>			<b>-</b>			<b>1,498.73</b>
<b>Equity Instruments (Quoted)</b>									
Amrita Pharma Limited	2	6	0.01	-	-	-	-	-	-
Poonj Healthcare Limited	10	22,000	2.69	-	-	-	-	-	-
ICICI Securities Limited	-	-	-	-	-	-	10.00	1,92,304	100.00
IndoStar Capital Finance Limited	10	51,275	12.73	-	-	-	-	-	-
Ingessoll Rand (India) Limited	10	15,320	9.46	-	-	-	-	-	-
Tata Consumer Products Limited	1	4,23,900	124.99	-	-	-	-	-	-
Tata Steel BSL Limited	2	1,90,585	3.14	-	-	-	-	-	-
WABCO India Limited	5	1,125	6.90	-	-	-	-	-	-
<b>Total Equity Instruments (C)</b>			<b>159.92</b>			<b>-</b>			<b>100.00</b>
<b>Total (A+B+C)</b>			<b>5,070.58</b>			<b>1,142.86</b>			<b>1,699.74</b>

Refer note 47 - Fair value measurement for valuation methodologies for securities held for trading



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>11. Receivables</b>			
<b>a) Trade receivables</b>			
Receivables considered good - unsecured	2.60	21.34	12.85
Receivables - credit impaired	73.70	56.49	57.43
	<b>76.30</b>	<b>77.83</b>	<b>70.28</b>
Allowance for expected credit losses			
Receivables - credit impaired	(73.70)	(56.49)	(57.43)
<b>Trade receivables (a)</b>	<b>2.60</b>	<b>21.34</b>	<b>12.85</b>
<b>b) Other receivables</b>			
Receivables considered good - unsecured \$	2.78	26.46	10.60
<b>Other receivables (b)</b>	<b>2.78</b>	<b>26.46</b>	<b>10.60</b>
<b>Total receivables (a+b)</b>	<b>5.38</b>	<b>47.80</b>	<b>23.45</b>

\$ Includes receivables from companies in the same group. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

## c) Reconciliation of impairment allowance on trade receivables:

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>Impairment allowance measured as per simplified approach</b>			
Impairment allowance - opening balance	56.49	57.43	57.40
Add/ (less): asset originated or acquired (net)	17.21	(0.94)	0.03
<b>Impairment allowance - closing balance</b>	<b>73.70</b>	<b>56.49</b>	<b>57.43</b>

Notes:

1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person

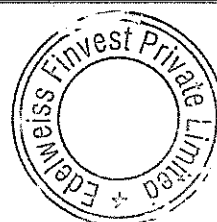
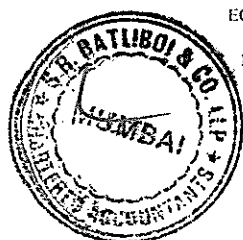
2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member

## d) Trade receivables days past due

As at March 31, 2020	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
<b>ECL Rates</b>	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	2.60	-	-	73.70	76.30
ECL - Simplified approach	-	-	-	-	73.70	73.70
<b>Net carrying amount</b>	<b>-</b>	<b>2.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.60</b>
As at March 31, 2019	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
<b>ECL Rates</b>	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	21.34	-	-	56.49	77.83
ECL - Simplified approach	-	-	-	-	56.49	56.49
<b>Net carrying amount</b>	<b>-</b>	<b>21.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.34</b>

\* Includes receivables from stock exchanges / clearing house. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

As at April 01, 2018	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
<b>ECL Rates</b>	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	12.85	-	-	57.43	70.28
ECL - Simplified approach	-	-	-	-	57.43	57.43
<b>Net carrying amount</b>	<b>-</b>	<b>12.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.85</b>

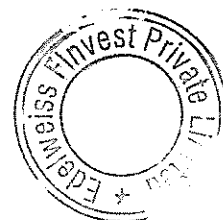


**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>12. Loans (at amortised cost)</b>			
<b>Term Loans;</b>			
Corporate credit	4,443.32	19,733.51	27,000.13
Retail credit	5,142.30	5,308.69	1,821.98
<b>Total gross</b>	<b>9,585.62</b>	<b>25,042.20</b>	<b>28,822.11</b>
Less: Impairment loss allowance (Refer note 12.A)	(347.86)	(481.65)	(844.68)
<b>Total net</b>	<b>9,237.76</b>	<b>24,560.55</b>	<b>27,977.43</b>
<b>Collateral :</b>			
<b>Secured by</b>			
Secured by tangible assets (property including land & building)	2,218.18	12,676.39	15,182.08
Secured by inventories, unlisted securities, project receivables & other marketable securities	4,285.34	9,688.87	13,101.19
Unsecured	3,082.11	2,676.94	538.84
<b>Total gross</b>	<b>9,585.63</b>	<b>25,042.20</b>	<b>28,822.11</b>
Less: Impairment loss allowance (Refer note 12.A)	(347.86)	(481.65)	(844.68)
<b>Total net</b>	<b>9,237.77</b>	<b>24,560.55</b>	<b>27,977.43</b>
<b>Loans in India</b>			
Public sector	-	-	-
Others	9,585.62	25,042.20	28,822.11
<b>Total gross</b>	<b>9,585.62</b>	<b>25,042.20</b>	<b>28,822.11</b>
Less: Impairment loss allowance (Refer note 12.A)	(347.86)	(481.65)	(844.68)
<b>Total net</b>	<b>9,237.76</b>	<b>24,560.55</b>	<b>27,977.43</b>





# Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 12.A Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48 D.1 and policies on ECL allowances are set out in Note 4.6

### at Credit quality of assets

	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
Performing	6,350.53	-	-	6,350.53	20,102.42	-	-	20,102.42	25,283.62
High grade	-	2,426.15	-	2,426.15	-	4,828.65	3,032.29	4,828.65	3,032.29
Standard grade	-	-	-	-	-	-	-	-	-
Non-performing	-	-	808.94	808.94	-	-	-	-	808.20
Individually impaired	-	-	-	-	-	-	-	-	-
	6,350.53	2,426.15	808.94	9,585.62	20,102.42	4,828.65	111.13	25,042.20	28,822.11

## b) Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

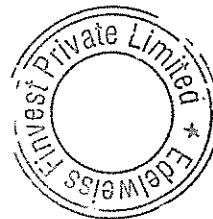
The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

### Reconciliation / movement for the year ended March 31, 2020

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Gross carrying Amount	Allowance for ECL
Opening Balance	20,102.42	273.03	4,828.65	155.66	111.13	52.96	25,042.20	481.65
Transfer of financial assets								
Stage 2 to Stage 1	589.72	(3.33)	(589.74)	(3.33)	-	-	-	-
Stage 1 to Stage 2	(59.50)	59.50	-	-	-	-	-	-
Stage 1 to Stage 3	(2.88)	(7.13)	-	-	10.01	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(0.30)	-	0.30	-	-	-	-
New assets originated / repayments received (net) *	(485.22)	(1.60)	2,012.16	158.60	796.60	176.83	2,323.54	333.83
Loan purchased (Credit Impaired)	-	-	-	-	4,870.24	-	4,870.24	-
Loan sale to other financial institutions	(13,794.03)	(270.89)	(3,877.29)	(155.33)	(4,979.04)	(41.40)	(22,650.36)	(467.62)
Closing Balance	6,350.53	0.57	2,426.15	158.90	808.94	188.39	9,585.62	347.86

\* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year





# For ECL Allowance - Closing Balance

to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 12.A Credit quality of assets (continued)

### Reconciliation / movement for the year ended March 31, 2019

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1		Gross carrying Amount	Stage 2		Gross carrying Amount	Allowance for ECL	Total
	Gross Carrying Amount	Allowance for ECL		Allowance for ECL	Allowance for ECL			
Opening Balance	25,283.62	268.33	3,032.29	83.06	506.20	493.29	28,822.11	844.68
Transfer of Financial Assets								
Stage 2 to Stage 1	273.53	0.01	(273.53)	(0.01)	-	-	-	-
Stage 1 to Stage 2	(1,997.08)	(21.34)	1,997.08	21.34	-	-	-	-
Stage 1 to Stage 3	(106.84)	(0.62)	-	-	106.84	0.62	-	-
Reimbursement of ECL arising from transfer of stage (net)	-	0.00	-	47.11	-	40.78	-	87.89
New assets originated / repayments received (net) *	(3,350.81)	26.65	72.81	4.16	(18.46)	1.82	(3,296.36)	32.63
Amounts written off	-	-	-	-	(483.55)	(483.55)	(483.55)	(483.55)
ECL Allowance - Closing Balance	20,102.42	273.03	4,828.65	155.66	111.13	52.96	25,042.20	481.65

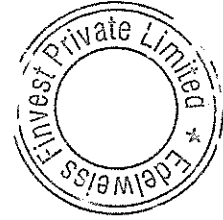
\* Amount less than Rs. 50,000

\* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year

### Reconciliation / movement for the year ended March 31, 2018

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1		Gross carrying Amount	Stage 2		Gross carrying Amount	Allowance for ECL	Allowance for ECL
	Gross Carrying Amount	Allowance for ECL		Allowance for ECL	Gross carrying Amount			
Opening Balance	11,805.52	99.75	2,775.94	118.03	-	-	14,581.46	217.78
Transfer of Financial Assets								
Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Reversal/encumment of ECL arising from transfer of stage (net)	13,478.10	168.58	567.45	(28.50)	506.20	493.29	14,551.75	633.37
New assets originated / repayments received (net) *	-	-	(311.10)	(6.47)	-	-	(311.10)	(6.47)
Amounts written off	-	-	-	-	-	-	-	-
ECL Allowance - Closing Balance	25,283.62	268.33	3,032.29	83.06	506.20	493.29	28,822.11	844.68

\* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year





# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 13. Investments

### 13.A Summary of Investments

As at March 31, 2020	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (fellow subsidiaries) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	214.10	-	214.10	590.14	804.24
Preference Shares	447.61	-	36.99	-	36.99	-	484.60
Security receipts (Refer below note 3)	-	-	2,703.45	-	2,703.45	-	2,703.45
Units of AIF	-	-	2,163.64	-	2,163.64	-	2,163.64
Units of venture fund	-	-	119.02	-	119.02	-	119.02
Warrants	-	-	52.50	-	52.50	-	52.50
<b>TOTAL - Gross (A)</b>	<b>447.61</b>	<b>-</b>	<b>5,289.70</b>	<b>-</b>	<b>5,289.70</b>	<b>590.14</b>	<b>6,327.45</b>
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	447.61	-	5,289.70	-	5,289.70	590.14	6,327.45
<b>Total (B)</b>	<b>447.61</b>	<b>-</b>	<b>5,289.70</b>	<b>-</b>	<b>5,289.70</b>	<b>590.14</b>	<b>6,327.45</b>
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	<b>447.61</b>	<b>-</b>	<b>5,289.70</b>	<b>-</b>	<b>5,289.70</b>	<b>590.14</b>	<b>6,327.45</b>

As at March 31, 2019	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (fellow subsidiaries) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	6.58	-	6.58	590.14	596.72
Preference Shares	-	-	37.27	-	37.27	-	37.27
Security receipts (Refer below note 3)	-	-	845.69	-	845.69	-	845.69
Units of AIF	-	-	290.68	-	290.68	-	290.68
Units of venture fund	-	-	91.65	-	91.65	-	91.65
<b>TOTAL - Gross (A)</b>	<b>-</b>	<b>-</b>	<b>1,271.87</b>	<b>-</b>	<b>1,271.87</b>	<b>590.14</b>	<b>1,862.01</b>
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,271.87	-	1,271.87	590.14	1,862.01
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>1,271.87</b>	<b>-</b>	<b>1,271.87</b>	<b>590.14</b>	<b>1,862.01</b>
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	<b>-</b>	<b>-</b>	<b>1,271.87</b>	<b>-</b>	<b>1,271.87</b>	<b>590.14</b>	<b>1,862.01</b>

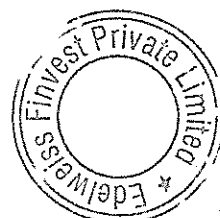
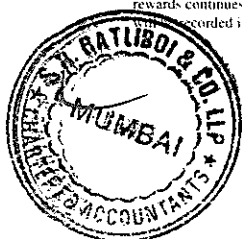
As at April 01, 2018	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (fellow subsidiaries) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	3.63	-	3.63	590.14	593.77
Preference Shares	-	-	25.69	-	25.69	-	25.69
Security receipts	-	-	3,692.00	-	3,692.00	-	3,692.00
Units of AIF	-	-	223.67	-	223.67	-	223.67
Units of venture fund	-	-	82.37	-	82.37	-	82.37
<b>TOTAL - Gross (A)</b>	<b>-</b>	<b>-</b>	<b>4,027.36</b>	<b>-</b>	<b>4,027.36</b>	<b>590.14</b>	<b>4,617.50</b>
(i) Investments outside India	-	-	-	-	-	590.14	590.14
(ii) Investment in India	-	-	4,027.36	-	4,027.36	-	4,027.36
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>4,027.36</b>	<b>-</b>	<b>4,027.36</b>	<b>590.14</b>	<b>4,617.50</b>
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	<b>-</b>	<b>-</b>	<b>4,027.36</b>	<b>-</b>	<b>4,027.36</b>	<b>590.14</b>	<b>4,617.50</b>

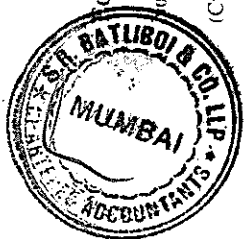
#### Notes:

1) Please refer note 13 B & 13 C. Investment details for further details

2) Please refer note 47 - Fair value measurement for valuation methodology

3) During the year ended March 31, 2020 and March 31, 2019, the Company has sold financial assets aggregating to Rs 4850.90 millions (net of provisions & losses) and Rs Nil (net of provisions & losses) respectively to various asset reconstruction company trusts (ARC Trusts) and has acquired security receipts (SR) from ARC Trusts amounting to Rs 2677.77 millions. The Board approved committee approved such sale of financial assets to ARC Trusts. Ind AS 109 - Financial Instruments, prescribed under section 133 of the Companies Act, 2013, requires substantial risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. Edelweiss Financial Services Limited (EFSL), holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL), a fellow subsidiary, on March 31, 2020, have guaranteed significant risks and assumed significant rewards in respect of an aggregate value of financial assets of Rs 1688.31 millions sold to ARC Trusts. As a result, these financial assets are de-recognized in Company's financial statements. Further, as the risks and rewards continues in ERCSL and EFSL, these continue to be accounted as financial assets in the consolidated financial statements of the Group and the respective consequent expected credit loss recorded in the consolidated financial statements of EFSL or ERCSL.





# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 13. Investments (continued)

### 13.B Investments in preference shares measured at amortised cost:

#### i) Credit quality of assets:

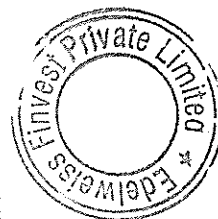
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48.D.1 and policies on ECL allowances are set out in Note 4.6

Particulars	March 31, 2020			March 31, 2019			April 01, 2018					
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing	447.61	-	-	447.61	-	-	-	-	-	-	-	-
High grade	447.61	-	-	447.61	-	-	-	-	-	-	-	-

#### ii) Reconciliation of changes in gross carrying amount for investments in preference shares:

Particulars	March 31, 2020			March 31, 2019				
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Gross carrying amount - opening balance	-	-	-	-	-	-	-	-
Assets acquired or recognised	447.03	-	-	447.03	-	-	-	-
Unwinding of discount (recognised in interest income)	0.58	-	-	0.58	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Assets derecognised or matured	-	-	-	-	-	-	-	-
Closing balance	447.61	-	-	447.61	-	-	-	-

Please refer note 13.C - Investment details for further details



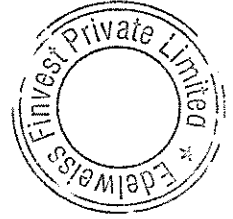


Edelweiss Finvest Private Limited  
As to the financial statements for the year ended March 31, 2020  
(Currency: Indian rupees in million)

13. Investments (continued)

13.C Scrip wise details of Investments

	As at March 31, 2020				As at March 31, 2019				As at April 01, 2018			
	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount
<b>Equity Instruments (Fully paid up)</b>												
<i>At face value through profit and loss account</i>												
<i>Unquoted</i>												
Tamilnad Mercantile Bank Limited	10	36,072	2.54	10	36,072	6.58	10.00	36,072	3.63			
Metropolitan Stock Exchange Off India Limited	1	3,70,20,000	51.78	-	-	-	-	-	-			
Centrust Corporate Durable Private Limited	10	2,913	52.78	-	-	-	-	-	-			
Unicare Business Services Limited	10	25,03,580	107.89	-	-	-	-	-	-			
<b>Total (A)</b>			214.10			6.58			3.63			
<b>Equity Instruments (Fully paid up)</b>												
<i>At Cost</i>												
Fellow Subsidiaries	10	30,00,000	264.00	10	30,00,000	264.00	10	30,00,000	264.00			
Edelweiss Retail Finance Limited	10	1,52,54,550	326.14	10	1,52,54,550	326.14	10	1,52,54,550	326.14			
Edelweiss Asset Reconstruction Company Limited			590.14			590.14			590.14			
<b>Total (B)</b>			10.00			37.27			25.60			
<b>Preference Shares (Fully paid up)</b>												
<i>At face value through profit and loss account</i>												
Zero coupon Series D non-cumulative compulsorily convertible preference shares of Bright Lifecare Private Limited	7,664	5,219	36.99	7,664	5,219	37.27	7,664	5,219	25.60			
<i>At Amortised Cost</i>												
12% Non Cumulative Optionally convertible Preference Shares of Edelweiss Rural & Corporate Services Limited	10,000	5,00,000	447.61	-	-	-	-	-	-			
<b>Total (C)</b>			484.60			37.27			25.60			
<b>Securities Receipts</b>												
<i>At face value through profit and loss account</i>												
EARC Trust SC 6	-	-	-	-	-	-	1,000	2,18,500	88.08			
EARC Trust SC 43	-	-	-	-	-	-	1,000	54,000	27.00			
EARC Trust SC 55	-	-	-	-	-	-	1,000	46,800	23.40			
EARC Trust SC 109	-	-	-	-	-	-	1,000	5,24,900	602.71			
EARC Trust SC 112	-	-	-	-	-	-	1,000	2,96,000	273.78			
EARC Trust SC 177	-	-	-	-	-	-	1,000	1,24,750	119.82			
EARC Trust SC 245	-	-	-	-	-	-	1,000	5,40,940	448.36			
EARC Trust SC 229	-	-	-	-	-	-	1,000	2,55,000	191.25			
EARC Trust SC 262 - Series 1	-	-	-	-	-	-	1,000	3,74,000	231.78			
EARC Trust SC 297 - Series 1	1,000	3,38,621	5.98	1,000	2,63,500	292.68	1,000	8,95,914	934.79			
EARC Trust SC 327 - Series 1	-	-	-	-	-	-	1,000	358.56	642.86			
EARC Trust SC 317	1,000	47,325	0.05	-	90,567	57.03	-	-	-			
EARC Trust SC 317	-	-	-	-	-	0.95	-	-	-			
EARC Trust SC 317	1,000,000	73,950	62.21	-	-	-	-	-	-			
EARC Trust SC 317	89.71	19,000	19.72	1,000	19,500	12.52	1,000	19,500	20.01			
EARC Trust SC 317	-	-	-	-	-	-	-	-	-			
Edelweiss ARF-I Trust Scheme-1	1,000	31,324	0.53	1,000	530	0.53	1,000	56,728	23.49			
Edelweiss ARF-I Trust Scheme-2	1,000	43,899	0.04	1,000	40	0.04	1,000	41,334	4.56			
Edelweiss ARF-I Trust Scheme-3	1,000	32,679	0.03	1,000	30	0.03	1,000	41,399	0.04			
Edelweiss ARF-I Trust Scheme-4	1,000	35,370	0.04	1,000	40	0.04	1,000	32,679	0.03			
Edelweiss ARF-I Trust Scheme-5	1,000,000	12,41,000	1,054.85	-	-	-	-	-	-			
RARE ARC (60) Trust	1,000,000	11,68,665	776.00	-	-	-	-	-	-			
RARE ARC (61) Trust	1,000,000	7,90,500	290.50	-	-	-	-	-	-			
ACRE 100 Trust	1,000,000	-	-	-	-	-	-	-	-			
<b>Total (D)</b>			2,703.45			845.60			3,402.00			





Edelweiss Private Limited  
Annual financial statements for the year ended March 31, 2020  
(All figures in million)  
(Amounts rounded off)  
Script wise details of Investments

#### Units of AIF

*At fair value through profit and loss account*  
Edelweiss Private Equity Tech Fund  
Edelweiss Value and Growth Fund  
Lacering Capital India Picking Fund II  
Paragon Partners Growth Fund - I  
Edelweiss Stressed and Troubled Assets Recovery Fund  
Edelweiss Real Estate Opportunities Fund  
Edelweiss Credit Opportunities Fund  
Edelweiss Infrastructure Yield Plus Fund  
Edelweiss India Special Situations Fund

#### Units of venture fund

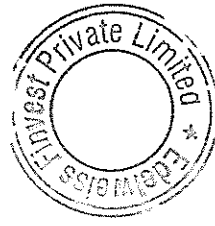
*At fair value through profit and loss account*  
KAT Capital Fund India  
KAT Capital Fund II (India)

#### Others - Warrants

*At fair value through profit and loss account*  
AT Invest India Pvt. Ltd. (Rs. 55 paid up)  
Manoj Reval Jewels Private Limited  
Sriee Mangal Abhushan Private Limited  
Sriee Mangal Jewels Private Limited  
Bhoro Sharda Limited (Rs. 55 paid up)

As at March 31, 2020				As at March 31, 2019				As at April 01, 2018			
Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount
1,00,000	569	136.73	1,00,000	569	80.41	1,00,000	569	62.12	1,00,000	569	62.12
1,00,000	1,951	325.50	1,00,000	1,952	210.27	1,00,000	1,953	161.55	1,00,000	1,953	161.55
1,000	37,090	39.38	-	-	-	-	-	-	-	-	-
100	8,88,580	135.64	-	-	-	-	-	-	-	-	-
10,000	3,000	12.05	-	-	-	-	-	-	-	-	-
10,000	45,068	550.86	-	-	-	-	-	-	-	-	-
1,000	2,30,761	226.61	-	-	-	-	-	-	-	-	-
10,000	50,000	702.57	-	-	-	-	-	-	-	-	-
10,000	1,13,816	34.30	-	-	-	-	-	-	-	-	-
<b>Total (E)</b>			<b>2,163.64</b>			<b>290.68</b>			<b>233.67</b>		
1,00,000	41	8.94	1,00,000	50	51.44	1,00,000	50	29.49	1,00,000	50	29.49
1,00,000	558	110.08	1,00,000	650	60.21	1,00,000	433	52.88	1,00,000	433	52.88
<b>Total (F)</b>			<b>119.02</b>			<b>91.65</b>			<b>82.37</b>		
10	60,00,000	21.90	-	-	-	10	3,20,000	-	-	-	-
10	15,00,000	5.25	-	-	-	-	-	-	-	-	-
10	55,00,000	26.25	-	-	-	-	-	-	-	-	-
10	26,47,313	-	10	26,47,313	-	-	10	26,47,313	-	-	-
<b>Total (G)</b>			<b>52.50</b>			<b>1,862.01</b>			<b>4,617.50</b>		
<b>Total (A+B+C+D+E+F+G)</b>			<b>6,177.45</b>			<b>1,862.01</b>			<b>4,617.50</b>		

Refer note 3. Fair value measurement for valuation methodologies for investments



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

**14. Other financial assets**

Margin placed with broker (refer note 9.A)  
Accrued interest on margin  
Advances recoverable in cash or in kind or for value to be received

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Margin placed with broker (refer note 9.A)	500.92	666.34	19.33
Accrued interest on margin	18.23	1.78	-
Advances recoverable in cash or in kind or for value to be received	15.25	-	-
	<b>534.40</b>	<b>668.12</b>	<b>19.33</b>

**15. Current tax assets (net)**

Advance income taxes (Net of provision for tax )

Advance income taxes (Net of provision for tax )	156.63	147.32	146.82
	<b>156.63</b>	<b>147.32</b>	<b>146.82</b>

**16. Deferred tax assets (net)**

Deferred tax assets / (Liabilities)

Loans / Security Receipts

Provision for expected credit loss

234.74 168.31 303.74

Receivables

Provision for expected credit loss

18.55 -

Investments and other financial instruments

Long term capital loss

21.51 21.39 17.39

Employee benefit obligations

Disallowances under section 43B of the Income Tax Act, 1961

1.87 5.21 0.82

Fair valuation of employee stock options

- - 8.54

Borrowings

Adjustment of effective interest rate on borrowings

(0.03) 66.83 64.69

Property, plant and equipment and intangibles

Difference between book and tax depreciation

(0.28) (0.37) (0.07)

Investments and other financial instruments

Unrealised (gain) / loss on derivative transactions (net)

39.80 (21.66) 5.25

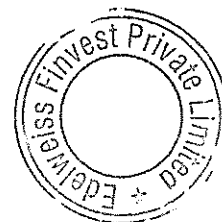
Unrealised (gain) / loss on investments (net)

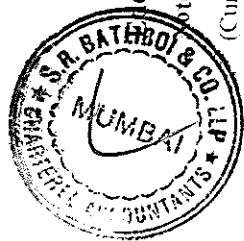
(54.97) (125.49) (71.24)

Others

- - (42.15)

	<b>261.19</b>	<b>114.22</b>	<b>286.97</b>
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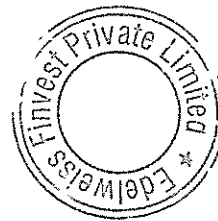


**Edelweiss Finvest Private Limited**  
Notes to the financial statements for the year ended March 31, 2020  
(Currency: Indian rupees in million)

**17. Property, plant and equipment and intangible assets**

Particulars	Property, plant and equipment				Intangible Assets	
	Building (Flat) ₹	Vehicles	Office equipment	Computers	Computer Software	Total
<b>Deemed cost</b>						
As at April 1, 2018	1.10	-	-	0.14	-	1.24
Additions	-	0.80	-	0.40	6.93	8.13
Disposals	-	(0.80)	-	-	-	(0.80)
as at March 31, 2019	1.10	-	-	0.54	6.93	8.57
Additions	-	1.06	-	0.33	0.01	1.40
Disposals	-	-	-	(0.11)	-	(0.11)
as at March 31, 2020	1.10	1.06	-	0.76	6.94	9.86
<b>Depreciation / Amortisation:</b>						
As at April 1, 2018	0.05	-	-	0.06	-	0.11
Depreciation/amortisation for the year	0.05	0.13	-	0.13	0.58	0.89
Disposals	-	(0.13)	-	-	-	(0.13)
as at March 31, 2019	0.10	-	-	0.19	0.58	0.87
Depreciation/amortisation for the year	0.05	0.08	-	0.39	2.31	2.83
Disposals	-	-	-	(0.08)	-	(0.08)
as at March 31, 2020	0.15	0.08	-	0.50	2.89	3.62
<b>Net Book Value</b>						
As at March 31, 2018	1.05	-	-	0.08	-	1.13
As at March 31, 2019	1.00	-	-	0.35	6.35	7.70
As at March 31, 2020	0.95	0.98	-	0.26	4.05	6.24

₹ Charge against secured redeemable non-convertible debentures (Refer note 20.A)

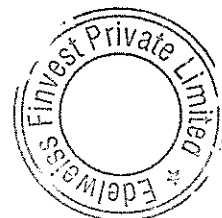


# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency : Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>18. Other non-financial assets</b> (Unsecured considered good, unless stated otherwise)			
Input tax credit	74.67	100.20	55.69
Capital Advances	70.00	-	-
Prepaid expenses	0.01	0.50	0.50
Vendor Advances	1.77	0.85	2.70
Advances to employees	0.01	0.01	0.01
	<b>146.46</b>	<b>101.56</b>	<b>58.90</b>
<b>19. Trade Payables</b>			
Payable to :			
Trade payables to non-related parties	36.85	84.44	45.66
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house )			
Trade payables to related parties	189.60	239.45	299.88
	<b>226.45</b>	<b>323.89</b>	<b>345.54</b>
<b>19.A Details of dues to micro and small enterprises</b>			
Trade Payables includes Rs.Nil (31 March, 19 : Rs.Nil & 31 March 2018 : Rs.Nil ) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.			
<b>20. Debt securities</b>			
<i>At amortised cost</i>			
<i>(Refer note 20.A and 20.B)</i>			
<u>Secured</u>			
Non-convertible redeemable debentures			
Privately placed	-	3,487.74	3,475.51
Benchmark linked debentures	10,138.76	15,798.30	12,373.73
<u>Unsecured</u>			
Non-convertible redeemable debentures			
Privately placed	-	-	-
Benchmark linked debentures	3,021.41	2,989.72	2,121.52
	<b>13,160.17</b>	<b>22,275.76</b>	<b>17,970.76</b>
Debt Securities in India	13,160.17	22,275.76	17,970.76
Debt Securities outside India	-	-	-
	<b>13,160.17</b>	<b>22,275.76</b>	<b>17,970.76</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 20 Debt securities (continued)

### 20.A Details of debt securities :

#### Secured non-convertible redeemable debentures

##### Privately placed:

Privately placed debentures are secured by charge on immovable property and floating charge on receivables from financing business, securities held for trading.

#### Benchmark linked debentures

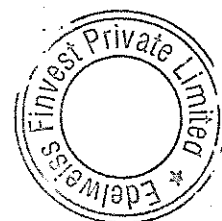
Benchmark linked debentures are secured by way of a pari passu mortgage and charge over the mortgage premises, a charge on the receivables from financing business and securities held for trading and corporate guarantee from the ultimate holding company.

In case of benchmark linked debentures, the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level (s).

### 20.B Maturity profile and rate of interest of debt securities are set out below:

Maturity Month	Secured Benchmark Linked Debentures Amount outstanding as at			Unsecured Benchmark Linked Debentures Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2020	March 31, 2019	March 31, 2018
Apr-2018	-	-	91.00	-	-	-
May-2018	-	-	563.30	-	-	-
Jun-2018	-	-	264.00	-	-	-
Jul-2018	-	-	549.00	-	-	-
Aug-2018	-	-	2,344.30	-	-	200.00
Sep-2018	-	-	405.30	-	-	15.00
Oct-2018	-	-	1,098.00	-	-	-
Nov-2018	-	-	28.50	-	-	-
Dec-2018	-	-	335.00	-	-	-
Jan-2019	-	-	140.20	-	-	-
Feb-2019	-	-	47.50	-	-	-
Mar-2019	-	-	337.00	-	-	-
Apr-2019	-	95.60	147.10	-	-	-
May-2019	-	652.90	658.10	-	-	-
Jun-2019	-	108.00	118.00	-	-	-
Jul-2019	-	287.00	298.00	-	-	-
Aug-2019	-	227.30	230.10	-	10.00	10.00
Sep-2019	-	724.70	184.90	-	10.00	10.00
Oct-2019	-	3,060.30	97.00	-	-	-
Nov-2019	-	30.00	36.00	-	-	-
Jan-2020	-	177.90	180.50	-	-	-
Feb-2020	-	129.50	132.00	-	-	-
Mar-2020	-	770.90	199.10	-	50.00	50.00
Apr-2020	-	-	-	-	-	-
May-2020	119.00	119.00	119.00	-	-	-
Jun-2020	544.40	544.40	546.40	-	-	-
Jul-2020	1,124.50	1,085.30	446.50	-	-	-
Aug-2020	108.00	108.00	108.00	380.00	380.00	380.00
Sep-2020	325.50	325.50	325.50	10.00	10.00	10.00
Oct-2020	45.50	45.50	57.50	32.50	32.50	32.50
Nov-2020	-	-	-	10.00	10.00	10.00
Dec-2020	10.00	10.00	12.00	20.00	20.00	20.00
Jan-2021	-	-	10.00	-	-	-
Mar-2021	10.00	-	-	-	-	-
Jul-2021	404.30	434.90	94.50	-	-	-
Sep-2021	887.10	874.00	212.50	-	-	-
Oct-2021	-	-	-	280.00	280.00	-
Dec-2021	12.50	12.50	-	-	-	-
Jan-2022	27.50	27.50	15.00	28.50	28.50	28.50
Feb-2022	768.90	760.80	650.30	10.00	10.00	10.00
Mar-2022	1,143.00	1,143.00	3.00	-	-	-
Apr-2022	15.00	-	-	-	-	-
May-2022	271.50	271.50	4.00	-	-	-
Jun-2022	2,348.60	2,348.60	-	-	-	-
Aug-2022	47.90	47.90	-	-	-	-
Sep-2022	10.00	10.00	-	-	-	-
Dec-2022	2.50	-	-	-	-	-





**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

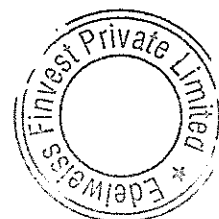
**20.B Maturity profile and rate of interest of debt securities are set out below:**

Maturity Month	Secured Benchmark Linked Debentures Amount outstanding as at			Unsecured Benchmark Linked Debentures Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2020	March 31, 2019	March 31, 2018
Dec-2023	7.50	-	-	-	-	-
Jan-2024	33.50	-	-	-	-	-
Feb-2024	4.70	-	-	-	-	-
Mar-2024	300.00	300.00	300.00	-	-	-
Jun-2027	170.00	170.00	170.00	-	-	-
Jan-2027	-	-	-	40.00	40.00	40.00
Jan-2028	-	-	-	1,924.00	1,924.00	1,235.00
	8,741.40	14,902.50	11,558.10	2,735.00	2,805.00	2,051.00
Associated accruals *	1,397.36	895.80	815.63	286.41	184.73	70.52
<b>Total</b>	<b>10,138.76</b>	<b>15,798.30</b>	<b>12,373.73</b>	<b>3,021.41</b>	<b>2,989.72</b>	<b>2,121.52</b>

**20.C Maturity profile and rate of interest of debt securities are set out below:**

Maturity Month	Secured non convertible debentures Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018
Rate of interest	9.10% p.a.	9.10% p.a.	9.10% p.a.
Apr-2019	-	3,500.00	3,500.00
	-	3,500.00	3,500.00
Associated accruals *	-	(12.26)	(24.49)
<b>Total</b>	<b>-</b>	<b>3,487.74</b>	<b>3,475.51</b>

\* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date for respective ISINs.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

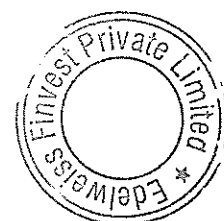
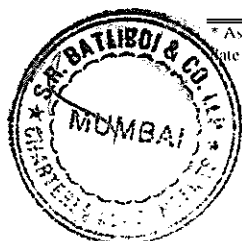
(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>21. Borrowings other than Debt Securities</b>			
<i>At amortised cost</i>			
<u>Secured</u>			
Term loan from bank	219.36	324.78	424.63
(First Pari Passu charge on the current assets of the Company which includes trade and other receivables, loans and cash and cash equivalents with Letter of Comfort)			
(Refer note 21.A)			
<u>Unsecured</u>			
Inter corporate loan from others	-	12.40	12.21
(Repayable on demand, carry interest 31 March 2019 - 5.5% p.a. , March 31, 2018 - 5.5% p.a )			
Loan and advances from related parties	132.75	-	7,761.96
[Repayable on demand, carry interest - 12.25% p.a. (31 March 2019 - 10% p.a. & 31 March 2018 - 9% p.a)]			
	<b>352.11</b>	<b>337.18</b>	<b>8,198.80</b>
Borrowings in India	352.11	337.18	8,198.80
Borrowings outside India	-	-	-
	<b>352.11</b>	<b>337.18</b>	<b>8,198.80</b>

**21.A Details of Borrowings other than Debt Securities**

Maturity Month	Loan from banks - Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018
Rate of interest	11.00% p.a.	9.70% p.a.	8.55% p.a.
Jun-2018	-	-	25.00
Sep-2018	-	-	25.00
Dec-2018	-	-	25.00
Mar-2019	-	-	25.00
Jun-2019	-	25.00	25.00
Sep-2019	-	25.00	25.00
Dec-2019	-	25.00	25.00
Mar-2020	-	25.00	25.00
Jun-2020	25.00	25.00	25.00
Sep-2020	25.00	25.00	25.00
Dec-2020	25.00	25.00	25.00
Mar-2021	25.00	25.00	25.00
Jun-2021	25.00	25.00	25.00
Sep-2021	25.00	25.00	25.00
Dec-2021	25.00	25.00	25.00
Jun-2022	25.00	25.00	25.00
Mar-2022	25.00	25.00	25.00
	<b>225.00</b>	<b>325.00</b>	<b>425.00</b>
Associated accruals *	(5.64)	(0.22)	(0.37)
<b>Total</b>	<b>219.36</b>	<b>324.78</b>	<b>424.63</b>

\* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>22. Subordinated Liabilities</b>			
<i>At amortised cost</i>			
<i>(Refer note 22.A)</i>			
<u>Unsecured</u>			
Subordinated debentures			
Privately placed redeemable non-convertible debentures	161.09	161.17	161.26
	<b>161.09</b>	<b>161.17</b>	<b>161.26</b>
Subordinated liabilities in India	161.09	161.17	161.26
Subordinated liabilities outside India	-	-	-
	<b>161.09</b>	<b>161.17</b>	<b>161.26</b>

## 22.A Maturity profile and rate of interest of subordinated liabilities are set out below:

Maturity Month	Unsecured subordinated liabilities - Interest Rate 11.00 % p.a. Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018
Jul-2025	150.00	150.00	150.00
	150.00	150.00	150.00
Add: interest accrued*	11.09	11.17	11.26
Total	<b>161.09</b>	<b>161.17</b>	<b>161.26</b>

\* Interest accrued but not due is payable on next interest payment date.

## 23. Other financial liabilities

Accrued salaries and benefits	0.45	20.05	16.54
Bank overdraft	-	2.69	-
	<b>0.45</b>	<b>22.74</b>	<b>16.54</b>

## 24. Current tax liabilities (net)

Provision for taxation ((Net of advance tax)	163.23	77.40	66.45
	<b>163.23</b>	<b>77.40</b>	<b>66.45</b>

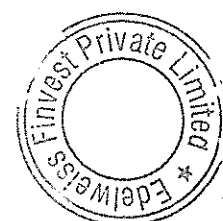
## 25. Provisions

Provision for employee benefits			
Gratuity (Refer note 37.A)	6.55	12.66	2.11
Compensated leave absences	0.87	2.24	0.25
	<b>7.42</b>	<b>14.90</b>	<b>2.36</b>

## 26. Other non-financial liabilities

Statutory liabilities*	13.45	36.94	18.17
Advances from customers	26.74		
Others	2.87	5.13	0.48
	<b>43.06</b>	<b>42.07</b>	<b>18.65</b>

\* Includes withholding taxes, profession tax and other statutory dues payables



## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
<b>27. Equity share capital</b>						
Authorised :						
Equity Shares of Rs.10 each	3,50,00,000	350.00	3,50,00,000	350.00	3,50,00,000	350.00
Preference Shares of Rs.10 each	-	-	-	-	-	-
	<b>3,50,00,000</b>	<b>350.00</b>	<b>3,50,00,000</b>	<b>350.00</b>	<b>3,50,00,000</b>	<b>350.00</b>
Issued, Subscribed and Paid up:						
Equity Shares of Rs.10 each	3,33,25,875	333.26	3,33,25,875	333.26	3,33,25,875	333.26
	<b>3,33,25,875</b>	<b>333.26</b>	<b>3,33,25,875</b>	<b>333.26</b>	<b>3,33,25,875</b>	<b>333.26</b>

### 27.A Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	3,33,25,875	333.26	3,33,25,875	333.26	28,05,998	28.06
Shares issued during the year	-	-	-	-	3,05,19,877	305.20
Outstanding at the end of the year	<b>3,33,25,875</b>	<b>333.26</b>	<b>3,33,25,875</b>	<b>333.26</b>	<b>3,33,25,875</b>	<b>333.26</b>

#### Notes:

During the financial year 2017-18 the Company has issued 8,279,275 fully paid-up equity shares of Rs.10 each at a premium of Rs 168.35 each aggregating to Rs. 1,476.61 million to Edelweiss Financial Services Limited as part of consideration for acquisition of lending & investment business of Edelweiss Finance & Investments Limited

During the financial year 2017-18, the Company has issued 22,240,602 fully paid-up equity shares of Rs.10 each at par aggregating to Rs. 222.41 million for conversion of preference shares in to equity.

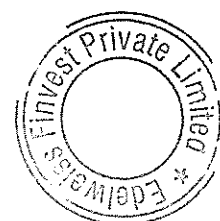
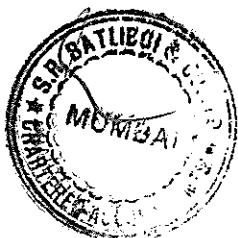
### 27.B Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

### 27.C Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
<b>Ultimate Holding company</b>						
Edelweiss Financial Services Limited	96,06,761	28.83%	82,79,275	24.84%	82,79,275	24.84%
<b>Holding company</b>						
ECap Equities Limited	2,24,59,720	67.39%	2,24,59,720	67.39%	2,24,59,720	67.39%
<b>Fellow subsidiary company</b>						
Edelweiss Securities Limited	12,59,394	3.78%	12,59,394	3.78%	12,59,394	3.78%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	-	-	13,27,486	3.98%	13,27,486	3.98%
	<b>3,33,25,875</b>	<b>100.00%</b>	<b>3,33,25,875</b>	<b>100.00%</b>	<b>3,33,25,875</b>	<b>100.00%</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 27.D Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
ECap Equities Limited	2,24,59,720	67.39%	2,24,59,720	67.39%	2,24,59,720	67.39%
Edelweiss Financial Services Limited	96,06,761	28.83%	82,79,275	24.84%	82,79,275	24.84%
	<u>3,20,66,481</u>	<u>96.22%</u>	<u>3,07,38,995</u>	<u>92.24%</u>	<u>3,07,38,995</u>	<u>92.24%</u>

27.E There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

27.F The company has not issued any shares for consideration other than cash

## 28. Reconciliation of number of shares

### a) 0.01 % Compulsorily convertible non- cumulative preference shares - Series A

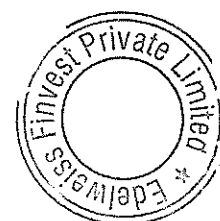
	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	3,33,700	3.34
Less: Shares cancelled on account of demerger	-	-	-	-	-	-
Less: Shares converted into equity shares	-	-	-	-	3,33,700	3.34
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### b) 0.01 % Compulsorily convertible non- cumulative preference shares - Series B

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	1,13,45,363	113.45
Less: Shares converted into equity shares	-	-	-	-	1,13,45,363	113.45
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### c) 0.01 % Compulsorily convertible non- cumulative preference shares - Series C

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	1,05,61,539	105.62
Less: Shares converted into equity shares	-	-	-	-	1,05,61,539	105.62
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

**29. Other Equity**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
a. Capital redemption reserve	84.34	84.34	84.34
b. Securities premium reserve	3,743.44	3,915.88	3,752.55
c. Statutory reserve	1,229.58	1,142.60	801.00
d. Retained earnings	5,034.73	4,873.17	3,516.52
e. Deemed capital contribution - Equity	2.25	2.25	2.25
f. Deemed Distribution - Preference Capital (Holder)	(52.97)	-	-
	<b>10,041.37</b>	<b>10,018.24</b>	<b>8,156.66</b>

**29.A Nature and purpose of Reserves****a. Capital redemption reserve**

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.

**b. Securities premium reserve**

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.

**c. Statutory reserve**

Reserve created under 45-1C(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. During the current year the company has reinstated its retained earnings as at April 01, 2018 and accordingly incremental transfer amounting to Rs. 37.31 million has been considered in statutory reserve transfer made in the current year. (Refer Note 54)

**d. Retained earnings**

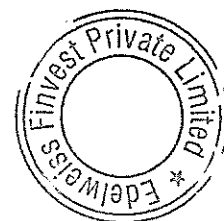
Retained earnings comprises of the Company's undistributed earnings after taxes.

**e. Deemed capital contribution - Equity**

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

**f. Deemed Distribution - Preference Capital (Holder)**

Represent discount on fair value of investment at the date of the investment in group company's preference shares as required under Ind AS 109. This amount will get amortise in Statement of profit and loss over maturity of such preference share.



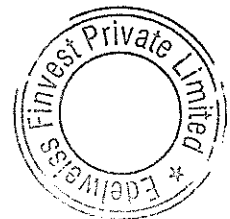
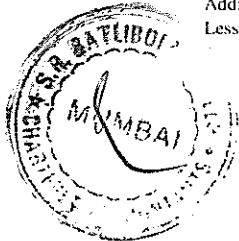
**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

**29.B Movement in other equity**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>a. Capital redemption reserve</b>			
Opening balance	84.34	84.34	84.34
Add : Additions during the year	-	-	-
	<u>84.34</u>	<u>84.34</u>	<u>84.34</u>
<b>b. Securities premium reserve</b>			
Opening balance	3,915.88	3,752.55	3,743.44
Add : Premium Received on issue of Debentures	-	163.33	9.11
Less: Premium transfer to financial liability	(172.44)	-	-
	<u>3,743.44</u>	<u>3,915.88</u>	<u>3,752.55</u>
<b>c. Statutory reserve</b>			
Opening balance	1,142.60	801.00	534.56
Add : Reserve created for the year	86.98	341.60	266.44
	<u>1,229.58</u>	<u>1,142.60</u>	<u>801.00</u>
<b>d. Retained earnings</b>			
Opening balance (Refer Note 54)	4,873.17	3,516.52	2,226.42
Add: Profit for the year	248.38	1,708.02	1,250.36
Less/Add : Other comprehensive income	0.16	(1.23)	0.05
Less/Add : Income tax effect of ESOPs	-	(8.54)	6.13
Add/Less : Deemed distribution during the year	-	-	300.00
	<u>5,121.71</u>	<u>5,214.77</u>	<u>3,782.96</u>
Amount available for appropriation	5,121.71	5,214.77	3,782.96
Appropriations:			
Transfer to statutory reserve	(86.98)	(341.60)	(266.44)
	<u>(86.98)</u>	<u>(341.60)</u>	<u>(266.44)</u>
	<u>5,034.73</u>	<u>4,873.17</u>	<u>3,516.52</u>
<b>e. Deemed capital contribution - Equity</b>			
Opening balance	2.25	2.25	0.68
Add : ESOPs charged during the year	-	-	1.57
	<u>2.25</u>	<u>2.25</u>	<u>2.25</u>
<b>f. Deemed Distribution - Preference Capital (Holder)</b>			
Opening balance	-	-	-
Add : Additions during the year	(52.97)	-	-
Less: Issue of equity shares	-	-	-
	<u>(52.97)</u>	<u>-</u>	<u>-</u>
<b>g. Share capital pending allotment on account of merger</b>			
Opening balance	-	-	82.79
Add: Consideration payable on merger	-	-	-
Less: Issue of equity shares	-	-	(82.79)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total = (a+b+c+d+e+f+g)</b>	<u>10,041.37</u>	<u>10,018.24</u>	<u>8,156.66</u>

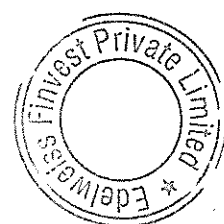
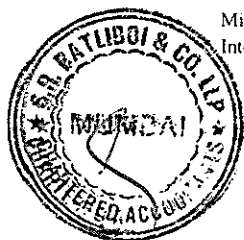


# **Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>30. Interest Income</b>		
on financial assets measured at amortised cost		
Interest on loans	1,314.96	4,654.55
Interest on fixed deposits with banks	5.15	5.71
Interest income on preference shares	0.58	-
Other interest Income		
On margin with brokers	123.48	1.86
on financial assets measured at fair value through profit or loss		
Interest income on debt securities	644.53	40.49
	<b>2,088.70</b>	<b>4,702.61</b>
<b>31. Dividend Income</b>		
Dividend on securities held for trading	0.71	170.11
Dividend on investment	-	0.07
	<b>0.71</b>	<b>170.18</b>
<b>32. Fee income</b>		
Processing and other fees	41.27	119.39
	<b>41.27</b>	<b>119.39</b>
<b>33. Net gain on fair value changes (including treasury income)</b>		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On investments and securities held for trading	(81.12)	(161.30)
On derivatives financial instrument	843.06	47.24
On security receipts (Refer Note in 36B)	333.23	379.66
	<b>1,095.17</b>	<b>265.60</b>
Fair value changes		
Realised	2,122.26	97.87
Unrealised	(1,027.09)	167.73
	<b>1,095.17</b>	<b>265.60</b>
<b>34. Other income</b>		
Miscellaneous income	0.48	0.01
Interest on Income Tax Refund	3.46	-
	<b>3.94</b>	<b>0.01</b>





# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>35. Finance costs</b>		
On financial liabilities measured at amortised cost		
Interest on borrowings other than debt securities	103.98	456.46
Interest on debt securities	1,521.42	1,633.64
Interest on subordinated liabilities	16.51	16.45
Other finance cost and bank charges	130.87	157.46
	<b>1,772.78</b>	<b>2,264.01</b>
<b>36A Net loss on derecognition of financial instruments *</b>		
On financial instruments measured at amortised cost		
Loss on Sale to ARC	20.13	-
<b>36B Impairment on financial instruments*</b>		
On financial instruments measured at amortised cost		
Expected credit loss		
Loans (including undrawn commitments)	451.02	120.52
Trade receivables	49.29	(0.93)
	<b>500.31</b>	<b>119.59</b>

\* During the year ended March 31, 2020, the Company completed its re-assessment of probability of default, loss given default in respect of exposures to certain sectors that were experiencing operational challenges. Credit and market risks for certain counter parties increased significantly relative to such risks at initial recognition, resulting in recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended March 31, 2020. Management judgement for expected credit losses and gain/loss on fair values changes has been accentuated on account of factors caused by the COVID-19 pandemic. Accordingly, the Company has recorded for the year ended March 31, 2020 an amount of Rs.532.01 millions towards expected credit losses, write-offs, loss on sale to ARC Trusts and net loss on fair value changes

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>37. Employee benefits expense</b>		
Salaries and wages (refer note 38.D)	89.20	101.24
Contribution to provident and other funds	5.49	6.16
Expense on Employee Stock Option Scheme (ESOP) (refer note below)	3.21	4.65
Staff welfare expenses	1.51	0.71
	<b>99.41</b>	<b>112.76</b>

### Notes:

Edelweiss Financial Services Limited ("EFSL") the holding Company 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.

### 37.A Employee Benefits

#### a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

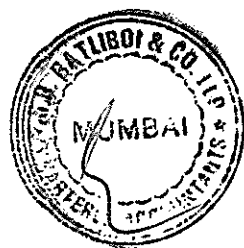
The Company recognised Rs. 3.99 million (Previous year - Rs. 3.56 million) for provident fund and other contributions in the Statement of profit and loss.

#### b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date



# **Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## **37.A Employee Benefits (continued)**

### **b) Defined benefit plan - Gratuity**

#### **i) Movement in defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for defined benefit liability and its components:

Particulars	Defined benefit obligation	
	March 31, 2020	March 31, 2019
Opening Balance	12.66	2.11
Current service cost	1.05	1.95
Interest cost	0.44	0.64
	<b>14.15</b>	<b>4.70</b>
Other comprehensive Income		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience	(0.59)	1.67
Financial assumptions	0.38	0.22
	<b>(0.21)</b>	<b>1.89</b>
Others		
Transfer In/ (Out)	(6.42)	6.69
Benefits paid	(0.97)	(0.62)
Closing Balance	<b>6.55</b>	<b>12.66</b>

#### **ii) Components of defined benefit plan cost:**

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Recognised in Statement of profit or loss		
Current service cost	1.05	1.95
Interest cost	0.44	0.64
Total	<b>1.49</b>	<b>2.59</b>
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	(0.21)	1.89
Total	<b>(0.21)</b>	<b>1.89</b>

#### **iii) Reconciliation of Fair Value of Plan Assets**

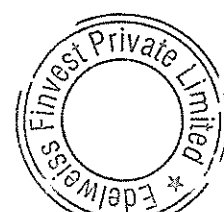
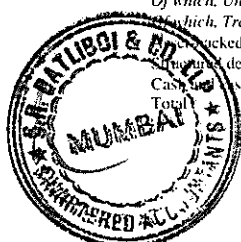
	As at March 31, 2020	As at March 31, 2019
Fair Value of Plan Assets at start of the year	-	-
Contributions by Employer	0.97	0.62
Benefits Paid	(0.97)	(0.62)
Interest Income on Plan Assets	-	-
Re-measurements	-	-
Return on plan assets excluding amount included in net interest on the	-	-
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Assets at end of the year	-	-
Actual Return on Plan Assets	-	-
Expected Employer Contributions for the coming year	-	-

#### **iv) Net Liability/ (Asset) recognised in the Balance Sheet**

	As at March 31, 2020	As at March 31, 2019
Present Value of DBO	6.55	12.66
Fair Value of Plan Assets	-	-
Liability/ (Asset) recognised in the Balance Sheet	6.55	12.66
Funded Status (Surplus/(Deficit))	(6.55)	(12.66)
Of which, Short term Liability	0.88	1.61
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(0.59)	1.67

#### **v) Percentage Break-down of Total Plan Assets**

	As at March 31, 2020	As at March 31, 2019
Equity instruments	0%	0%
Debt instruments	0%	0%
Real estate	0%	0%
Derivatives	0%	0%
Investment Funds with Insurance Company	0%	0%
Of which, Unit Linked	0%	0%
Of which, Traditional/ Non-Unit Linked	0%	0%
Unbacked securities	0%	0%
Short term debt	0%	0%
Cash and cash equivalents	0%	0%
Total	<b>0.00%</b>	<b>0.00%</b>



vi) Movement in Other Comprehensive Income

	As at March 31, 2020	As at March 31, 2019
Balance at start of year (Loss)/ Gain	1.89	Nil
Re-measurements on DBO		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/ Gain from changes in financial assumptions	(0.38)	(0.22)
c. Actuarial (Loss)/ Gain from experience over the past year	0.59	(1.67)
Re-measurements on Plan Assets	-	-
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at end of year (Loss)/ Gain	(1.68)	(1.89)

vii) Movement in Surplus/ (Deficit)

	As at March 31, 2020	As at March 31, 2019
Surplus/ (Deficit) at start of year	(12.66)	(2.11)
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	6.42	(6.69)
Movement during the year	-	-
Current Service Cost	(1.05)	(1.95)
Past Service Cost	-	-
Net Interest on net DBO	(0.44)	(0.64)
Changes in Foreign Exchange Rates	-	-
Re-measurements - (Losses)/ Gains	0.21	(1.89)
Contributions/ Benefits	0.97	0.62
Surplus/ (Deficit) at end of year	(6.55)	(12.66)

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	5.90%	7.00%
Salary Growth Rate	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	13% - 25%	13% - 25%
Interest Rate on Net DBO (% p.a.)	7.00%	7.30%
Mortality Rate	IALM 2012-14	IALM 2012-14
Expected weighted average remaining working lives of employees	4	5

Notes:

- a) The discount rate are based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities.  
b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.  
c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity analysis:

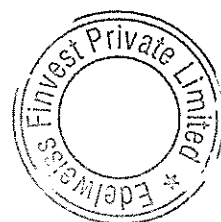
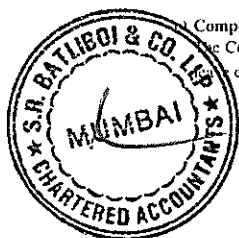
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below:

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.38	(0.35)	0.81	(0.74)
Discount Rate (+/- 1%)	(0.35)	0.39	(0.73)	0.82
Withdrawal Rate (+/- 1%)	(0.02)	0.02	(0.05)	0.05

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The encashment on separation is paid on basic salary.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>38. Other expenses</b>		
Advertisement and business promotion	3.28	0.05
Auditors' remuneration (refer note 38.A)	1.78	1.78
Commission and brokerage	50.78	31.33
Communication	0.67	1.43
Directors' sitting fees	0.78	0.51
Insurance	0.01	-
Legal and professional fees	247.43	79.38
Printing and stationery	0.09	0.01
Rates and taxes	71.68	3.66
Rent (refer note 38.C and 38.D)	17.56	8.93
Repairs and maintenance (refer note 38.D)	0.17	0.11
Electricity charges (refer note 38.D)	-	0.89
Computer software	0.93	0.23
Corporate social responsibility - Donation (refer note 38.B)	-	5.00
Clearing & custodian charges	8.83	0.16
Rating support fees (refer note 38.D)	0.94	0.18
Membership and subscription	0.02	0.03
Office expenses (refer note 38.D)	0.67	53.30
ROC Expenses	0.02	0.07
Seminar & Conference	0.02	-
Goods & Service tax expenses	79.13	27.73
Stamp duty	20.68	-5.80
Travelling and conveyance	0.92	4.97
Miscellaneous expenses	0.90	1.50
Others	0.07	-
Housekeeping and security charges (refer note 38.D)	9.26	2.03
	<b>516.62</b>	<b>217.48</b>
<b>38.A Auditors' remuneration:</b>		
As a Auditor		
Audit fees	0.95	1.36
Limited Review	0.75	0.39
Reimbursement of expenses	0.08	0.03
	<b>1.78</b>	<b>1.78</b>
<b>38.B Details of CSR Expenditure:</b>		
Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.	33.70	23.94
Amount Spent (paid in cash)		
i) Construction/acquisition of any assets	-	-
ii) On purpose other than (i) above	-	5.00
Amount Spent (yet to be paid in cash)		
i) Construction/acquisition of any assets	-	-
ii) On purpose other than (i) above	-	5.00
Amount paid to EdelGive Foundation (refer note 45 related party disclosure)	-	5.00
Paid to external parties	-	5.00

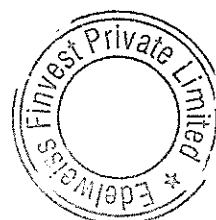
The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 308.14 million (Previous year: Rs. 225.19 million) (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended 31 March 2020, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2020.

## 38.C Operating leases

The Company has not taken premises on operating lease. Rental expenses for the year ended 31 March 2020 aggregated to Rs. 17.56 million (Previous year: Rs. 8.93 million) which has been included under the head other expenses – Rent in the Statement of profit and loss are allocations from the fellow subsidiaries.

## 38.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 37 and 38 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 73.24 million (previous year Rs. 64.86 million).



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

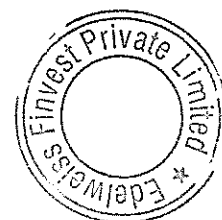
## 39. Income Tax

### Component of income tax expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	276.76	680.12
Adjustment in respect of current income tax of prior years	(60.39)	(9.95)
Deferred tax relating to temporary differences	(147.04)	164.87
<b>Total tax charge for the year (refer note 39.A)</b>	<b>69.33</b>	<b>835.04</b>
Current tax	216.37	670.17
Deferred tax (refer note 39.B)	(147.04)	164.87

39.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (Loss) before taxes	317.71	2,543.06
Statutory Income Tax rate	25.168%	34.94%
Tax charge at statutory rate	79.96	888.65
Adjustment in respect of current income tax of prior year	(60.39)	(9.95)
Tax effect of :		
Income / Items not subject to tax or chargeable at lower tax rate		
Dividend Income	(0.18)	(59.47)
Non deductible expenses		
Others	4.41	8.16
Impact of tax rate changes (between two accounting periods)	26.23	6.90
Others		
Profit from EARC Trusts (taxed on realisation)	0.08	0.75
Others	19.22	-
<b>Current Tax Expenses Reported in Statement of Profit and Loss</b>	<b>69.33</b>	<b>835.04</b>
Effective Income Tax Rate	21.82%	32.84%





Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

39.B Movement of Deferred Tax assets

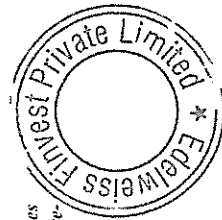
Financial Year 2019-20

	As on March 31, 2019	Movement for the period (2019-20)			As on March 31, 2020
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	
<b>Deferred Tax Assets / (Liabilities) *</b>					
Employee benefits obligations	5.21	(3.29)	(0.05)	-	1.87
Effective interest rate on financial liabilities	66.83	(66.86)	-	-	(0.03)
Expected credit loss provision on Loans / SR's	168.31	66.43	-	-	234.74
Expected credit loss provision on Receivables	-	18.55	-	-	18.55
Unused tax losses	21.39	0.12	-	-	21.51
Property, plant and equipment & intangible assets	(0.37)	0.09	-	-	(0.28)
Fair valuation of financial assets	(125.49)	70.52	-	-	(54.97)
Fair valuation of derivatives	(21.66)	61.46	-	-	39.80
<b>Deferred Tax Asset (net)</b>	<b>114.22</b>	<b>147.02</b>	<b>(0.05)</b>	<b>-</b>	<b>261.19</b>

Financial Year 2018-19

	As on April 1, 2018	Movement for the period (2018-19)			As on March 31, 2019
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	
<b>Deferred Tax Assets</b>					
Employee benefits obligations	0.82	3.73	0.66	-	5.21
Effective interest rate on financial liabilities	64.69	2.14	-	-	66.83
Tax break on employee stock option scheme	8.54	-	-	(8.54)	-
Expected credit loss provision	303.74	(135.43)	-	-	168.31
Unused tax losses	17.39	4.00	-	-	21.39
<b>Deferred Tax Liabilities</b>					
Property, plant and equipment & intangible assets	(0.07)	(0.30)	-	-	(0.37)
Fair valuation of financial assets	(71.24)	(54.25)	-	-	(125.49)
Fair valuation of derivatives	5.25	(26.91)	-	-	(21.66)
Others	(42.15)	42.15	-	-	-
<b>Deferred Tax Asset (net)</b>	<b>286.97</b>	<b>(164.87)</b>	<b>0.66</b>	<b>(8.54)</b>	<b>114.22</b>

\* The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying Income tax at reduced rates. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020. The Company has also re-measured its deferred tax assets (net) basis the rate prescribed in the aforesaid section resulting in additional tax charge of Rs. 26.23 millions.



**Edelweiss Finvest Private Limited**

**Notes to the financial statements for the year ended March 31, 2020**

(Currency: Indian rupees in million)

**40. Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the period adjusted for assumed conversion of all dilutive potential equity shares.

		For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit attributable to equity holders of the Company	(A)	248.38	1,708.02
Weighted average number of shares			
- Number of equity shares outstanding at the beginning of the year		3,33,25,875	3,33,25,875
- Number of equity shares issued during the year		-	-
Total number of equity shares outstanding at the end of the year		3,33,25,875	3,33,25,875
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	3,33,25,875	3,33,25,875
Weighted average number of diluted equity shares outstanding during the year	(C)	3,33,25,875	3,33,25,875
Adjusted net profit for diluted EPS	(D)	248.38	1,708.02
Basic earnings per share (in rupees)	(A / B)	7.45	51.25
Diluted earnings per share (in rupees)	(D / C)	7.45	51.25

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at March 31, 2020 & March 31, 2019.

**41. Contingent Liability & Commitment:**

**Contingent Liability**

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

**Details of contingent liability**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Taxation matters of assessment year AY 2014-15 & AY 2015-16 in respect of which appeal is pending with tax authorities	114.88	46.38	46.38

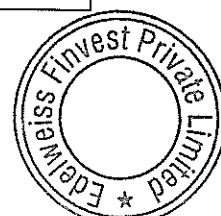
The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

**Commitment**

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

**Details of commitment**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	0.06	1.96
b) Undrawn committed credit lines	1,639.89	8,823.44	828.12
c) Undrawn committed commitments on investments in AIF/ Venture Fund	3,345.13	233.87	269.84



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

#### 42. Segment reporting

##### Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below

Segment	Activities covered
Capital based business	Income from investments and dividend income
Treasury business	Income from Treasury operations
Financing business	Wholesale and retail financing

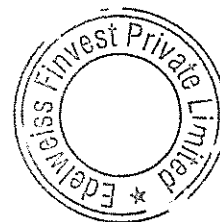
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

##### Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Segment information as at and for the year ended March 31, 2020

Particulars	Financing business	Capital based business	Treasury Business	Unallocated	Total
Revenue from operations					
Interest income	1,314.96	5.73	768.01	-	2,088.70
Other operating income	41.27	132.99	962.89	3.94	1,141.09
Total revenue from operations	1,356.23	138.72	1,730.90	3.94	3,229.79
Interest expenses	738.36	75.52	942.34	16.55	1,772.78
Other expenses	783.11	26.45	329.82	0.02	1,139.40
Total expenses	1,521.47	101.98	1,272.16	16.57	2,912.18
Segment profit/(loss) before taxation	(165.24)	36.74	458.74	(12.63)	317.61
Income tax expenses	-	-	-	-69.33	(69.33)
Profit for the year	(165.24)	36.74	458.74	-81.96	248.28
Other comprehensive income	0.07	0.01	0.09	-	0.16
Total comprehensive income	(165.17)	36.75	458.82	(81.96)	248.44
Segment assets	12,602.60	2,952.77	8,751.86	417.82	24,725.05
Segment liabilities	5,882.39	707.71	7,597.10	163.23	14,350.44
Capital expenditure	0.59	0.06	0.75	-	1.40
Depreciation and amortisation	1.19	0.12	1.52	-	2.83
Significant non-cash items (net)	(497.25)	0.31	(1,023.19)	-	(1,520.13)





Edelweiss Finvest Private Limited

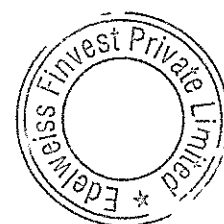
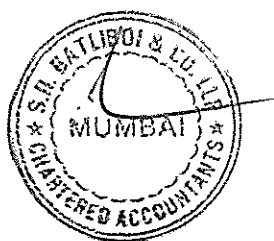
Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

42. Segment reporting (continued)

Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Treasury Business	Unallocated	Total
Revenue from operations					
Interest income	4,654.55	5.71	42.35	-	4,702.61
Other operating income	119.39	67.02	368.76	0.01	555.18
Total revenue from operations	4,773.94	72.73	411.11	0.01	5,257.79
Interest expenses	2,055.63	31.32	177.02	0.04	2,264.01
Other expenses	415.56	4.50	25.65	5.00	450.72
Total expenses	2,471.19	35.82	202.67	5.04	2,714.73
Segment profit/(loss) before taxation	2,302.75	36.91	208.44	(5.03)	2,543.06
Income tax expenses	-	-	-	(835.04)	(835.04)
Profit for the year	2,302.75	36.91	208.44	(840.07)	1,708.02
Other comprehensive income	(1.12)	(0.02)	(0.10)	(0.00)	(1.23)
Total comprehensive income	2,301.63	36.89	208.34	(840.07)	1,706.79
Segment assets	29,284.74	945.53	3,537.28	261.55	34,029.10
Segment liabilities	21,497.79	316.02	1,786.34	77.44	23,677.60
Capital expenditure	7.38	0.11	0.64	0.00	8.13
Depreciation and amortisation	0.81	0.01	0.07	0.00	0.89
Significant non-cash items (net)	(129.26)	(0.15)	166.90	(0.00)	37.49



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

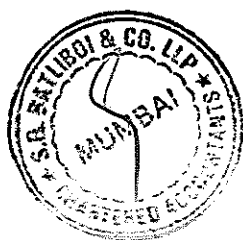
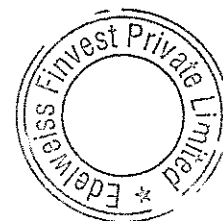
(Currency: Indian rupees in million)

## 43. Change in liabilities arising from financing activities

Particulars	As at April 01, 2019	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2020
Debt securities	22,275.76	(9,765.03)	-	649.44	13,160.17
Borrowings other than debt securities	337.18	(21.35)	-	36.28	352.11
Subordinated liabilities	161.17	0.00	-	(0.08)	161.09
	<u>22,774.11</u>	<u>(9,786.38)</u>	<u>-</u>	<u>685.64</u>	<u>13,673.37</u>

Particulars	As at April 01, 2018	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2019
Debt securities	17,970.76	4,246.27	-	58.73	22,275.76
Borrowings other than debt securities	8,198.80	(7,861.77)	-	0.15	337.18
Subordinated liabilities	161.26	-	-	(0.09)	161.17
	<u>26,330.82</u>	<u>(3,615.50)</u>	<u>-</u>	<u>58.79</u>	<u>22,774.11</u>

\* Includes the effect of accrued but not paid interest on borrowing, securities premium on issue of debt securities





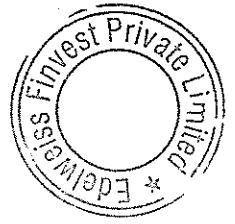
**Edelweiss Finvest Private Limited**  
to the financial statements for the year ended March 31, 2020  
(in Indian rupees in million)

**Maturity Analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>									
Cash and cash equivalents	1,415.29	-	1,415.29	4,670.11	-	4,670.11	363.75	-	363.75
Derivative financial instruments	1,563.67	-	1,563.67	387.52	319.33	706.85	84.00	203.70	287.70
Securities held for trading	5,070.58	-	5,070.58	1,142.86	-	1,142.86	1,699.74	-	1,699.74
Trade receivables	2.60	-	2.60	21.34	-	21.34	12.85	-	12.85
Other receivables	2.78	-	2.78	26.46	-	26.46	10.60	-	10.60
Loans (on Gross Basis)	5,410.44	4,175.18	9,585.62	5,527.12	19,515.08	25,042.20	2,351.95	26,470.16	28,822.11
Investments	447.61	5,879.84	6,327.45	-	1,862.01	1,862.01	-	4,617.50	4,617.50
Other financial assets	534.40	-	534.40	668.12	-	668.12	19.33	-	19.33
<b>Non-financial assets</b>									
Current tax assets (net)	-	156.63	156.63	-	147.32	147.32	-	146.82	146.82
Deferred tax assets (net)	-	261.19	261.19	-	114.22	114.22	-	286.96	286.96
Property, Plant and Equipment	-	2.19	2.19	-	1.35	1.35	-	1.13	1.13
Other Intangible assets	-	4.05	4.05	-	6.35	6.35	-	-	-
Other non-financial assets	146.46	-	146.46	101.56	-	101.56	58.90	-	58.90
<b>Total Assets</b>	<b>14,593.53</b>	<b>10,479.08</b>	<b>25,072.61</b>	<b>12,545.09</b>	<b>21,965.66</b>	<b>34,510.75</b>	<b>4,601.12</b>	<b>31,726.27</b>	<b>36,327.39</b>
<b>Financial Liabilities</b>									
Derivative financial instruments	236.46	-	236.46	61.53	360.96	422.49	31.47	180.97	212.44
Trade payables	226.45	-	226.45	323.89	-	323.89	345.54	-	345.54
Debt securities	3,647.48	9,512.69	13,160.17	10,519.98	11,755.78	22,275.76	6,931.89	11,038.87	17,970.76
Borrowings (other than debt securities) *	232.75	119.36	352.11	112.40	224.78	337.18	7,874.17	321.63	8,195.80
Subordinated Liabilities	11.09	150.00	161.09	11.17	150.00	161.17	11.26	150.00	161.26
Other financial liabilities	0.45	-	0.45	22.74	-	22.74	16.34	-	16.34
<b>Non-financial liabilities</b>									
Current tax liabilities (net)	163.23	-	163.23	77.40	-	77.40	66.45	-	66.45
Provisions	0.34	7.08	7.42	3.46	11.44	14.90	-	2.36	2.36
Other non-financial liabilities	43.04	-	43.04	42.07	-	42.07	18.65	-	18.65
<b>Total Liabilities</b>	<b>4,561.29</b>	<b>9,789.13</b>	<b>14,350.42</b>	<b>11,174.64</b>	<b>12,502.96</b>	<b>23,677.60</b>	<b>15,295.97</b>	<b>11,696.83</b>	<b>26,992.80</b>
<b>Net</b>	<b>10,032.24</b>	<b>689.95</b>	<b>10,722.19</b>	<b>1,370.45</b>	<b>9,462.70</b>	<b>10,833.15</b>	<b>-10,694.85</b>	<b>20,029.44</b>	<b>9,334.59</b>

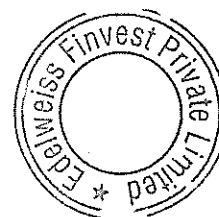
\* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO activities has raised long term funds during the financial year 2018-19 & 2019-20 and has a positive ALM position as at March 31, 2019 and March 31, 2020



45. *Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"*

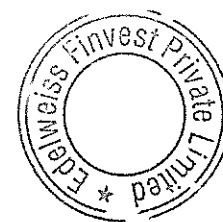
List of related parties and relationships:

Names of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate Holding company)
Holding Company	ECap Equities Limited
Fellow subsidiaries with whom the transactions have taken place in current or previous Year	<p>Edelweiss Alternative Asset Advisors Limited</p> <p>Edelweiss Global Wealth Management Limited</p> <p>Edelweiss Finance &amp; Investments Limited</p> <p>Edelweiss Rural &amp; Corporate Services Limited</p> <p>Edelweiss Custodial Services Limited</p> <p>Edelweiss Broking Limited</p> <p>Edelweiss Tokio Life Insurance Company Limited</p> <p>Bernny Business Centre Limited (Merged with Ecap Equities Limited)</p> <p>Edelweiss Securities Limited</p> <p>ECL Finance Limited</p> <p>Edel Finance Company Limited</p> <p>Edelweiss Asset Management Limited</p> <p>Edelcap Securities Limited</p> <p>Edelweiss Finance and Investments Limited</p> <p>EdelGive Foundation</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Retail Finance Limited</p> <p>Edelweiss Private Equity Tech fund</p> <p>Edelweiss Value and Growth Fund</p>
Key Management Personnel (KMP)	<p>Anil Dhawan</p> <p>Sheetal Gandhi (till 30th June 2019)</p> <p>Ritesh S Jain (from 27 December 2019 till 4 May 2020)</p> <p>Bhavin N Mehta (till 2 August 2018)</p> <p>Niket Joshi (from 2 May 2018 till 10 July 2019)</p> <p>Nishant Salvi ( from 6 January 2020 to 31 March 2020)</p> <p>Ashish Kehar (from 23 May 2018)</p> <p>Puja D'souza</p> <p>Sanjay Shah (till 14th January 2020)</p> <p>Bharat Bakshi</p> <p>Kunnasagar Chinniah (till 12th December 2019)</p> <p>Managing Director &amp; CEO</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Manager</p> <p>Company Secretary</p> <p>Company Secretary</p> <p>Non-executive Director</p> <p>Non-executive Director</p> <p>Independent Director</p> <p>Independent Director</p> <p>Independent Director</p>



Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
<b>Transactions with related parties:</b>				
<b>(i) Capital account transactions</b>				
1	Investments in preference shares (Face Value) of	Edelweiss Rural & Corporate Services Limited	500.00	-
2	Investments in units of	Edelweiss Value and Growth Fund	0.03	35.97
		Edelweiss Private Equity Tech fund	0.00	-
<b>(ii) Current account transactions</b>				
1	Short term loans taken from (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	14,850.08	15,368.06
2	Short term loans repaid to (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	12,770.19	23,129.52
3	Short term loans given to (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	95,350.15	3,706.13
		Edel Finance Company Limited	1,190.00	1,200.00
		ECap Equities Limited	1,000.00	-
4	Short term loans given repaid by (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	79,898.08	3,502.04
		Edel Finance Company Limited	1,190.00	-
		ECap Equities Limited	990.00	-
5	Issue of - benchmark linked debentures	Edelweiss Rural & Corporate Services Limited	-	40.00
6	Redemption - benchmark linked debentures	ECap Equities Limited	297.13	5,782.62
		Edelweiss Rural & Corporate Services Limited	-	68.94
7	Redemption - Debentures by	Edelweiss Asset Reconstruction Company Limited	411.46	-
8	Buyback - benchmark linked debentures	ECap Equities Limited	4,179.13	98.28
9	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	74.42	448.96
10	Interest expense on benchmark linked debentures	ECap Equities Limited	2.08	604.22
		ECL Finance Limited	1.67	-
		Edelweiss Rural & Corporate Services Limited	0.71	13.94
11	Other Financial Cost Paid to	Edelweiss Asset Management Limited	51.83	-
		Edelweiss Broking Limited	1.91	-
		Edelweiss Alternative Asset Advisors Limited	87.02	-



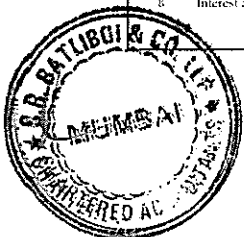
Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
<b>Current account transactions</b>				
12	Interest expense on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	16.38	16.45
13	Interest income received from securities	Edelweiss Retail Finance Limited	6.39	21.88
		Edelweiss Asset Reconstruction Company Limited	579.13	-
14	Interest income on short term loan from	ECap Equities Limited	17.11	-
		Edelcap Securities Limited	-	-
		Edelweiss Rural & Corporate Services Limited	71.43	40.97
		Edel Finance Company Limited	142.46	1.08
		Edelweiss Finance & Investments Limited	-	27.55
15	Interest income on margin from	Edelweiss Securities Limited	3.38	0.02
		Edelweiss Custodial Services Limited	120.09	1.84
16	Enterprise Service charges paid to	Edelweiss Financial Services Limited	0.03	-
		Edelweiss Rural & Corporate Services Limited	0.81	53.33
17	Management fee paid to	Edelweiss Alternative Asset Advisors Limited	-	34.32
18	Legal and professional fees paid to	Edelweiss Rural & Corporate Services Limited	0.01	-
19	Arranger fee paid to	ECL Finance Limited	-	17.36
		Edelweiss Retail Finance Limited	106.68	-
20	Loan portfolio transferred to	ECL Finance Limited	17,780.12	-
21	Cost reimbursement received from (net)	Edelweiss Financial Services Limited	1.67	0.83
		Edelweiss Rural & Corporate Services Limited	1.08	0.29
		ECL Finance Limited	-	0.02
		Edelweiss Broking Limited	0.19	0.35
		Edelweiss Securities Limited	3.84	-
		Edelweiss Custodial Services Limited	0.01	-
		ECap Equities Limited	0.02	0.44
		Edelweiss Asset Management Limited	13.35	0.07
		Edelweiss Alternative Asset Advisors Limited	28.41	0.63
22	Equity Investment Purchased from	ECap Equities Limited	205.20	-
		Edelweiss Rural & Corporate Services Limited	51.78	-
23	Other Investment Purchased from	ECap Equities Limited	1,653.40	-
		Edelcap Securities Limited	168.99	-
24	Shared Premises Cost paid (net)	Edelweiss Securities Limited	1.15	-
		ECap Equities Limited	6.34	4.73
		Edelweiss Rural & Corporate Services Limited	3.38	2.72
		Edelweiss Asset Management Limited	0.08	0.25
		Edelweiss Broking Limited	5.49	0.70
		Edelweiss Custodial Services Limited	0.09	-
		ECL Finance Limited	-	0.53
25	Rating Support fees paid to	Edelweiss Financial Services Limited	0.19	0.18
26	Corporate Social Responsibility	EdelGive Foundation	-	5.00
27	Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	5.75	121.52
28	Commission and Sub-brokerage paid to	Edelweiss Securities Limited	57.47	-
		Edelweiss Global Wealth Management Limited	33.95	26.77
28	Business Promotion Expenses paid to	Edelweiss Financial Services Limited	-	12.30
29	Loan purchased from	Edelweiss Rural & Corporate Services Limited	2,039.40	-
		ECap Equities Limited	4,704.70	-
30	Security Receipts Purchased from	Edelweiss Asset Reconstruction Company Limited	3,288.14	-
31	Security Receipts Sold to	Edelweiss Asset Reconstruction Company Limited	4,038.80	-
		ECL Finance Limited	-	1,833.30



Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
	<b>Current account transactions (continued)</b>			
32	Clearing charges paid to	Edelweiss Custodial Services Limited	8.73	0.14
33	ESOP Cost	Edelweiss Financial Services Limited	-	4.65
		Edelweiss Securities Limited	2.14	-
		ECL Finance Limited	0.05	-
34	Remuneration to Key Management Personnel (Refer note 2)	Amit Dhasan	8.52	10.40
		Sheetal Gandhi	1.77	7.53
		Bhavini N Mehta	-	1.56
35	Directors' sitting fees	Sanjay Shah	0.32	0.25
		Bharat Bakshi	0.32	0.24
		Kunhasagarani Chinniah	0.14	0.02
(iii)	<b>Secondary market transactions</b>			
1	Sale of securities (Stock in trade) to	ECL Finance Limited	665.86	3,592.75
		Edelweiss Finance & Investments Limited	0.84	102.42
		Edelweiss Rural & Corporate Services Limited	128.49	1,028.03
		Edelweiss Retail Finance Limited	-	244.34
		ECap Equities Limited	-	648.85
2	Purchase of securities (Stock in trade) from	ECL Finance Limited	1,363.93	-
		ECap Equities Limited	97.49	-
		Edelweiss Finance & Investments Limited	101.35	-
		Edelweiss Rural & Corporate Services Limited	3,552.54	1,163.28
		Edelweiss Alternative Asset Advisors Limited	0.93	-
5	Sale of Loan to	Edelweiss Asset Reconstruction Company Limited	-	-
3	Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	9,946.04	589.89
4	Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	10,137.27	707.22
5	Margin placed with broker	Edelweiss Custodial Services Limited	37,158.33	690.03
		Edelweiss Securities Limited	637.10	0.53
		Edelweiss Broking Limited	1,537.60	-
6	Margin withdrawn from broker	Edelweiss Custodial Services Limited	37,478.36	37.74
		Edelweiss Securities Limited	593.79	1.39
		Edelweiss Broking Limited	1,537.67	-
7	Sale of Securities receipts to	ECL Finance Limited	-	1,833.30
7	Purchase of Property, Plant & Equipment	ECL Finance Limited	0.60	0.19
		Edelweiss Alternative Asset Advisors Limited	0.04	-
		Edelweiss Broking Limited	0.13	0.88
		Edelweiss Custodial Services Limited	0.01	0.00
		Edelweiss Financial Services Limited	0.00	0.00
		Edelweiss Global Wealth Management Limited	0.00	-
		Edelweiss Rural & Corporate Services Limited	0.03	-
		Edelweiss Securities Limited	0.48	-
8	Sale of Property, Plant & Equipment	ECL Finance Limited	0.00	-
		Edelweiss Broking Limited	0.02	-
		Edelweiss Rural & Corporate Services Limited	0.00	-
(iv)	<b>Balances with related parties</b>			
1	Investments in equity shares	Edelweiss Retail Finance Limited	264.00	264.00
		Edelweiss Asset Reconstruction Company Limited	326.14	326.14
2	Investments in units of	Edelweiss Private Equity Tech fund	136.73	88.41
		Edelweiss Value and Growth Fund	325.50	210.27
3	Subordinate debt issued to	Edelweiss Tokio Life Insurance Company Limited	150.00	150.00
4	Benchmark Debentures held by	ECap Equities Limited	70.00	195.55
		ECL Finance Limited	56.00	-
		Edelweiss Rural & Corporate Services Limited	24.00	-
5	Debenture and bonds / Securities held for Trading at fair value of	Edelweiss Retail Finance Limited	38.51	-
		Edelweiss Asset Reconstruction Company Limited	4,248.02	-
6	Investment in Preference Shares at Fair value held of	Edelweiss Rural & Corporate Services Limited	447.61	-
7	Interest accrued on benchmark linked debentured held by	ECap Equities Limited	5.20	1.78
		ECL Finance Limited	4.16	-
		Edelweiss Rural & Corporate Services Limited	1.78	-
8	Interest accrued on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	11.09	11.17

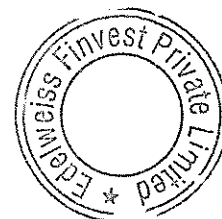


Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
Balances with related parties (continued)				
9	Short term loans taken from	Edelweiss Rural & Corporate Services Limited	96.58	-
10	Short term loans given to	Edelweiss Rural & Corporate Services Limited	0.51	203.60
		Edel Finance Company Limited	1,200.00	1,200.00
		ECap Equities Limited	1,005.00	-
11	Trade Payables to	Edelweiss Financial Services Limited	7.39	142.90
		Edelweiss Securities Limited	27.46	0.25
		ECL Finance Limited	119.17	24.01
		ECap Equities Limited	0.63	2.23
		Edelweiss Alternative Asset Advisors Limited	18.70	34.92
		Edelweiss Global Wealth Management Limited	8.12	8.04
		Edelweiss Rural & Corporate Services Limited	0.74	31.49
		Edelweiss Asset Management Limited	6.20	0.09
		Edelweiss Broking Limited	0.53	0.18
		Edernity Business Centre Limited (Merged with ECap Equities Limited)	0.00	0.00
12	Other Payable	Edelweiss Securities Limited	2.27	-
		Edelweiss Asset Management Limited	0.04	-
		ECL Finance Limited	0.37	-
		Edelweiss Broking Limited	2.57	-
		Edelweiss Alternative Asset Advisors Limited	1.30	-
		Edelweiss Finance and Investments Limited	0.74	-
13	Trade Receivables from	ECL Finance Limited	-	17.34
		Edelweiss Securities Limited	-	1.11
		Edelweiss Custodial Services Limited	-	1.78
		Edelweiss Rural & Corporate Services Limited	0.02	0.06
		Edelweiss Finance & Investments Limited	2.38	2.22
		Edelweiss Financial Services Limited	-	0.13
		ECap Equities Limited	-	0.02
		Edelweiss Alternative Asset Advisors Limited	-	0.03
		Edelweiss Broking Limited	0.32	4.03
		Edelweiss Rural & Corporate Services Limited	0.02	-
14	Interest receivable-Accrued -Group Company	Edelweiss Rural & Corporate Services Limited	3.77	17.57
		Edel Finance Company Limited	9.59	0.98
		ECap Equities Limited	6.25	-
		Edelweiss Securities Limited	0.63	-
		Edelweiss Custodial Services Limited	17.60	-
15	Interest payable -Accrued -Group company	Edelweiss Rural & Corporate Services Limited	36.17	-
16	Interest receivable - accrued on debentures and bonds of	Edelweiss Retail Finance Limited	1.83	-
		Edelweiss Asset Reconstruction Company Limited	0.97	-
17	Margin placed with broker	Edelweiss Custodial Services Limited	347.65	667.67
		Edelweiss Securities Limited	153.28	-
18	Corporate Guarantee taken from	Edelweiss Financial Services Limited	2,749.30	5,030.10

Notes

- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 - Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis. Remuneration to KMP's shall be within the limit as prescribed by the Companies act.
- Previous year's figures have been recast/restated where necessary.





**Edelweiss Finvest Private Limited****Notes to the financial statements for the year ended March 31, 2020**

(Currency: Indian rupees in million)

**46. Capital Management**

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

**The Pillars of its policy are as follows:**

- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.
- d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

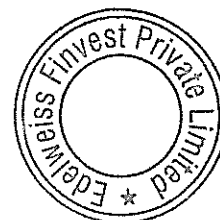
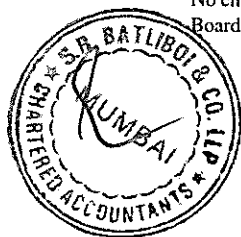
This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

**Regulatory capital**

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>Capital Funds</b>			
Net owned funds (Tier I capital)	3,568.11	8,744.79	4,327.38
Tier II capital	150.57	589.86	670.56
<b>Total capital funds</b>	<b>3,718.68</b>	<b>9,334.65</b>	<b>4,997.94</b>
<b>Total risk weighted assets/ exposures</b>	<b>18,735.99</b>	<b>32,828.41</b>	<b>18,150.75</b>
<b>% of capital funds to risk weighted assets/exposures:</b>			
Tier I capital	19.05%	26.64%	23.84%
Tier II capital	0.80%	1.80%	3.69%
<b>Total capital Funds</b>	<b>19.85%</b>	<b>28.44%</b>	<b>27.53%</b>

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.



## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

### 47. Fair Value measurement:

#### 47.A Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.10 for more details on fair value hierarchy

#### 47.B Valuation governance framework

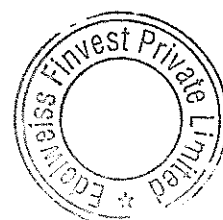
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

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

As at March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Exchange-traded derivatives	63.56	125.47		189.03
Embedded derivatives in benchmark-linked debentures	-	-	1,391.66	1,391.66
<b>Total derivative financial instruments - A</b>	<b>63.56</b>	<b>125.47</b>	<b>1,391.66</b>	<b>1,580.69</b>
<b>Financial assets held for trading</b>				
Other debt securities	-	4,910.66		4,910.66
Equity instruments	159.92			159.92
<b>Total financial assets held for trading - B</b>	<b>159.92</b>	<b>4,910.66</b>	<b>-</b>	<b>5,070.58</b>
<b>Investments</b>				
Equity shares	-	-	214.10	214.10
Preference shares	-	-	36.99	36.99
Security receipts	-	-	2,703.45	2,703.45
Units of AIF	-	-	2,163.64	2,163.64
Units of venture fund	-	-	119.02	119.02
Warrants	-	-	52.50	52.50
<b>Total investments measured at fair value - C</b>	<b>-</b>	<b>-</b>	<b>5,289.70</b>	<b>5,289.70</b>
<b>Total (A+B+C)</b>	<b>223.48</b>	<b>5,036.13</b>	<b>6,681.36</b>	<b>11,940.97</b>
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Exchange-traded derivatives	59.86	100.01	-	159.87
Embedded derivatives in benchmark-linked debentures	-	-	109.05	109.05
	<b>59.86</b>	<b>100.01</b>	<b>109.05</b>	<b>268.92</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 47. Fair Value measurement: (Continued)

As at March 31, 2019

Assets measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

Total derivative financial instruments - A

Financial assets held for trading

Other debt securities

Equity instruments

Mutual fund units

Total financial assets held for trading - B

Investments

Equity shares

Preference shares

Security receipts

Units of AIF

Units of venture fund

Total investments measured at fair value - C

Total (A+B+C)

Liabilities measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

As at April 01, 2018

Assets measured at fair value on a recurring basis

Derivative financial instruments

Derivative financial instruments

Embedded derivatives in benchmark-linked debentures

Total derivative financial instruments - A

Financial assets held for trading

Other debt securities

Equity instruments

Mutual fund units

Total financial assets held for trading - B

Investments

Equity shares

Preference shares

Security receipts

Units of AIF

Units of venture fund

Total investments measured at fair value - C

Total (A+B+C)

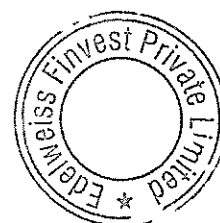
Liabilities measured at fair value on a recurring basis

Derivative financial instruments

Derivative financial instruments

Embedded derivatives in benchmark-linked debentures

	Level 1	Level 2	Level 3	Total
As at March 31, 2019				
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	413.69	-	-	413.69
Embedded derivatives in benchmark-linked debentures	-	-	327.50	327.50
Total derivative financial instruments - A	413.69	-	327.50	741.19
Financial assets held for trading				
Other debt securities	-	1,142.87	-	1,142.87
Equity instruments	-	-	-	-
Mutual fund units	-	-	-	-
Total financial assets held for trading - B	-	1,142.87	-	1,142.87
Investments				
Equity shares	-	-	6.58	6.58
Preference shares	-	-	37.27	37.27
Security receipts	-	-	845.69	845.69
Units of AIF	-	-	290.68	290.68
Units of venture fund	-	-	91.65	91.65
Total investments measured at fair value - C	-	-	1,271.87	1,271.87
Total (A+B+C)	413.69	1,142.87	1,599.37	3,155.93
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	2.57	-	-	2.57
Embedded derivatives in benchmark-linked debentures	-	-	422.49	422.49
	2.57	-	422.49	425.06
As at April 01, 2018				
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Derivative financial instruments	1.90	-	-	1.90
Embedded derivatives in benchmark-linked debentures	-	-	287.67	287.67
Total derivative financial instruments - A	1.90	-	287.67	289.57
Financial assets held for trading				
Other debt securities	-	101.01	-	101.01
Equity instruments	100.00	-	-	100.00
Mutual fund units	1,498.73	-	-	1,498.73
Total financial assets held for trading - B	1,598.73	101.01	-	1,699.74
Investments				
Equity shares	-	-	3.63	3.63
Preference shares	-	-	25.69	25.69
Security receipts	-	-	3,692.00	3,692.00
Units of AIF	-	-	223.67	223.67
Units of venture fund	-	-	82.37	82.37
Total investments measured at fair value - C	-	-	4,027.36	4,027.36
Total (A+B+C)	1,600.63	101.01	4,315.03	6,016.67
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Derivative financial instruments	11.12	-	-	11.12
Embedded derivatives in benchmark-linked debentures	-	-	212.44	212.44
	11.12	-	212.44	223.56



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 47. Fair Value measurement: (Continued)

### D. Valuation techniques:

#### Debt securities:

Fair value of debt securities is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. The Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded, the Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

#### Security receipts

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

#### Equity instruments, preference shares, warrants and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Unquoted equity instruments, preference shares and warrants are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. All unquoted instruments are classified as Level 3.

#### Units of AIF Fund and Venture Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3.

#### Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible including prices available from exchanges, dealers, brokers. Company classify these embedded derivative as level 3 instruments.

#### Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1.

E. There have been no transfers between levels during the year ended March 31, 2020 and March 31, 2019.

F. 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 2020	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Preference Shares	Warrants	Total
Investments - at April 1, 2019	845.69	290.68	91.65	6.58	37.27	-	1,271.87
Purchase	7,047.59	1,780.05	-	256.97	-	150.00	9,234.61
Sale / redemption	(4,873.40)	(243.90)	(0.91)	-	-	-	(5,118.21)
Transfer into level 3	-	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-	-
Profit / Fair value change for the year recognised in profit or loss	(1316.43)	336.81	28.28	(49.45)	(0.28)	(97.50)	(98.57)
Investments - at March 31, 2020	2,703.45	2,163.64	119.02	214.10	36.99	52.50	5,289.70
Unrealised gain/(Loss) related to balances held at the end of the year	(574.93)	358.79	59.13	(44.61)	(0.28)	(112.06)	(313.96)

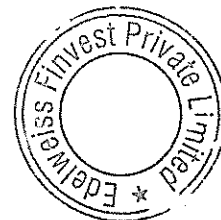
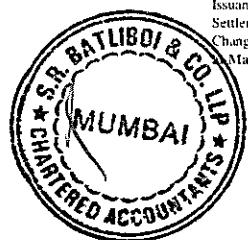
Financial year ended March 2019	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Preference Shares	Other Securities	Total
Investments - at April 1, 2018	3,692.00	223.67	82.37	3.63	25.69	-	4,027.36
Purchase	5,302.21	35.97	-	-	-	-	5,338.18
Sale / redemption	(8,350.50)	-	-	-	-	-	(8,350.50)
Transfer into level 3	-	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-	-
Profit / Fair value change for the year recognised in profit or loss	201.98	31.04	9.28	2.95	11.58	-	256.83
Investments - at March 31, 2019	845.69	290.68	91.65	6.58	37.27	-	1,271.87
Unrealised gain/(Loss) related to balances held at the end of the year	311.21	38.56	21.66	4.84	(2.73)	-	373.54

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 2020	Assets	Embedded Options Liabilities	Net Balance
at April 1, 2019	327.50	422.49	(94.99)
Issuances	(1.58)	2.12	(3.70)
Settlements	(60.13)	61.53	(121.66)
Changes in fair value recognised in profit or loss	1,657.45	(467.89)	2,125.34
Investments - at March 31, 2020	1,391.66	109.05	1,282.61

Financial year ended March 2019	Assets	Embedded Options Liabilities	Net Balance
at April 1, 2018	287.67	212.44	75.23
Issuances	244.04	208.91	35.13
Settlements	71.95	42.29	29.66
Changes in fair value recognised in profit or loss	(276.16)	(41.15)	(235.01)
Investments - at March 31, 2019	327.50	422.49	(94.99)





## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

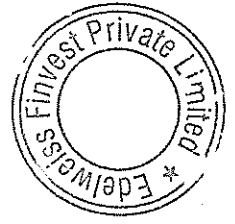
(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### G Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2020	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,703.45	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	1,710.30	5% increase in Expected future Cash flow	3.86	5% Decrease in Expected future Cash flow	(3.86)
			Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(1.07)	0.5% Decrease in Risk-adjusted discount rate	1.09
Units of AIF	2,163.64	Net Asset approach	Fair value of underlying investments	Rs. 153 to Rs. 240,320 per unit	5% Increase in Fair value of Underlying Investment	108.18	5% Decrease in Fair value of Underlying Investment	(108.18)
Units of venture fund	119.02	Net Asset approach	Fair value of underlying investments	Rs. 197,289 to Rs. 217,942 per unit	5% Increase in Fair value of Underlying Investment	5.95	5% Decrease in Fair value of Underlying Investment	(5.95)
Unquoted equity shares	214.10	Comparable transaction and P/E	Fair value per share	Rs. 1.40 to Rs. 18.117 per share	5% Increase in Fair value	10.71	5% Decrease in Fair value	(10.71)
Warrants	52.50	Comparable transaction and P/E	Fair value per unit	Rs. 3.5 per unit of Warrants	5% Increase in Fair value	2.63	5% Decrease in Fair value	(2.63)
Unquoted preference shares	36.99	Comparable transaction and P/E	Fair value per share	Rs. 7.141 per share	5% Increase in Fair value	1.85	5% Decrease in Fair value	(1.85)
Embedded derivatives (net)	1,282.61	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	8,597.75	5% increase in Nifty Index curve	12.25	5% Decrease in Nifty Index curve	(11.31)
			Risk-adjusted discount rate	4.50% to 6%	1% increase in Risk-adjusted discount rate	4.11	1% Decrease in Risk-adjusted discount rate	(4.12)





**Edelweiss Fininvest Private Limited**  
Notes to the financial statements for the year ended March 31, 2020  
(Currency: Indian rupees in million)

**G Fair Value measurement: (Continued)**

**F. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs (continued)**

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Securities receivables	845.69	Discounted Cash flow: The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	308.58	5% increase in Expected future Cash flow	41.53	5% Decrease in Expected future Cash flow	(41.53)
Units of AIF	290.68	Net Asset approach	Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(9.97)	0.5% Decrease in Risk-adjusted discount rate	10.19
Units of venture fund	91.65	Net Asset approach	Fair value of underlying investments	Rs. 107,701 to Rs. 141,337 per unit	5% Increase in Fair value of Underlying Investment	14.53	5% Decrease in Underlying Investment	(14.53)
Unquoted equity shares	6.58	Comparable transaction and P/E	Fair value of underlying investments	Rs. 125,966 to Rs. 198,558 per unit	5% Increase in Fair value of Underlying Investment	4.58	5% Decrease in Underlying Investment	(4.58)
Unquoted preference shares	37.25	Comparable transaction and P/E	Fair value per share	Rs. 182 per share	5% Increase in Fair value	0.33	5% Decrease in Fair value	(0.33)
Embedded derivatives (net)	94.09	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Fair value per share	Rs. 7,141 per share	5% Increase in Fair value	1.86	5% Decrease in Fair value	(1.86)
			Nifty level	11,023.9	5% increase in Market Index curve	(21.70)	5% Decrease in Market Index curve	23.18
			Risk-adjusted discount rate	1.00%	0.5% increase in Risk-adjusted discount rate	(7.36)	0.5% decrease in Risk-adjusted discount rate	7.61





# Edelweiss Finvest Private Limited

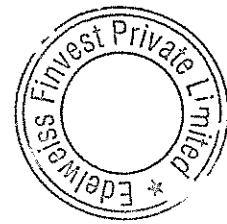
Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in millions)

## G Fair Value measurement: (Continued)

### F. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs (continued)

Type of Financial Instruments	Fair value of asset as on 31 March 2018	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	3,692.00	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	277.14	5% increase in Expected future Cash flow	125.95	5% Decrease in Expected future Cash flow	(125.95)
Units of AIF	223.67	Net Asset approach	Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(34.56)	0.5% Decrease in Risk-adjusted discount rate	35.36
Units of venture fund	82.37	Net Asset approach	Fair value of underlying investments	Rs. 101.435 to Rs. 109.179 per unit	5% Increase in Fair value of Underlying Investment	11.18	5% Decrease in Fair value of Underlying Investment	(11.18)
Unquoted equity shares	3.63	Comparable transaction and P/E	Fair value of underlying investments	Rs. 114,692 to Rs. 156,471 per unit	5% Increase in Fair value of Underlying Investment	4.12	5% Decrease in Fair value of Underlying Investment	(4.12)
Unquoted preference shares	25.69	Comparable transaction and P/E	Fair value per share	Rx. 101 per share	5% Increase in Fair value	0.18	5% Decrease in Fair value	(0.18)
Embedded derivatives (net)	75.23	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Fair value per share	Rs. 4.923 per share	5% Increase in Fair value	1.28	5% Decrease in Fair value	(1.28)
			Market Index Curve	5%	5% increase in Market Index curve	(3.39)	5% Decrease in Market Index curve	3.39
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.41	0.5% increase in Risk-adjusted discount rate	(0.41)



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2020

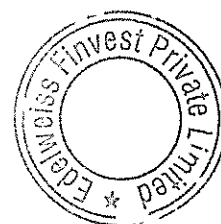
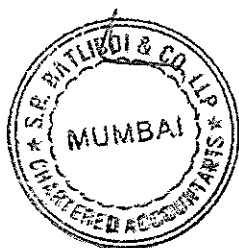
(Currency: Indian rupees in million)

#### 47. Fair Value measurement: (Continued)

##### H. Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Loans	9,237.76	-	-	9,054.14	9,054.14
Investments	1,037.75	-	590.14	447.61	1,037.75
<b>Total Financial Assets</b>	<b>10,275.51</b>	<b>-</b>	<b>590.14</b>	<b>9,501.75</b>	<b>10,091.89</b>
<b>Financial Liabilities</b>					
Debt securities	13,160.17	-	10,938.88	-	10,938.88
Borrowings (other than debt securities)	352.11	-	361.69	-	361.69
Subordinated Liabilities	161.09	-	174.00	-	174.00
<b>Total Financial Liabilities</b>	<b>13,673.37</b>	<b>-</b>	<b>11,474.57</b>	<b>-</b>	<b>11,474.57</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	1,639.89	-	-	658.81	658.81
<b>Total Off balance-sheet items</b>	<b>1,639.89</b>	<b>-</b>	<b>-</b>	<b>658.81</b>	<b>658.81</b>
<b>As at March 31, 2019</b>	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>					
Loans	24,560.55	-	-	24,817.05	24,817.05
Investments	590.14	-	590.14	-	590.14
<b>Total Financial Assets</b>	<b>25,150.69</b>	<b>-</b>	<b>590.14</b>	<b>24,817.05</b>	<b>25,407.19</b>
<b>Financial Liabilities</b>					
Debt securities	22,275.76	-	18,867.53	-	18,867.53
Borrowings (other than debt securities)	337.18	-	342.34	-	342.34
Subordinated Liabilities	161.17	-	169.78	-	169.78
<b>Total Financial Liabilities</b>	<b>22,774.11</b>	<b>-</b>	<b>19,379.65</b>	<b>-</b>	<b>19,379.65</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	8,823.44	-	-	3,700.92	3,700.92
<b>Total Off balance-sheet items</b>	<b>8,823.44</b>	<b>-</b>	<b>-</b>	<b>3,700.92</b>	<b>3,700.92</b>





## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

As at April 01, 2018	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Loans	27,977.43	-	-	27,904.85	27,904.85
Investments	590.14	-	590.14	-	590.14
<b>Total Financial Assets</b>	<b>28,567.57</b>	<b>-</b>	<b>590.14</b>	<b>27,904.85</b>	<b>28,494.99</b>
<b>Financial Liabilities</b>					
Debt securities	17,970.76	-	15,883.42	-	15,883.42
Borrowings (other than debt securities)	8,198.80	-	8,321.57	-	8,321.57
Subordinated Liabilities	161.26	-	180.36	-	180.36
<b>Total Financial Liabilities</b>	<b>26,330.82</b>	<b>-</b>	<b>24,385.35</b>	<b>-</b>	<b>24,385.35</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	828.12	-	-	293.49	293.49
<b>Total Off balance-sheet items</b>	<b>828.12</b>	<b>-</b>	<b>-</b>	<b>293.49</b>	<b>293.49</b>

#### I. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

##### Short Term Financial Assets and Liabilities

Carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, trade payables approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities is not significant in each of the years presented.

##### Financial assets at amortised cost

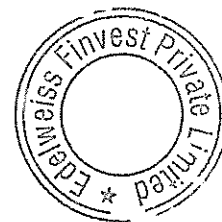
The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

##### Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model

##### Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows after applying the credit conversion factor, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

#### 48. Risk Management

##### A. Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

##### B. Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### C. Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

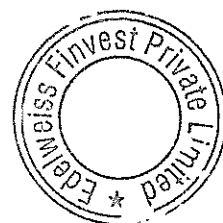
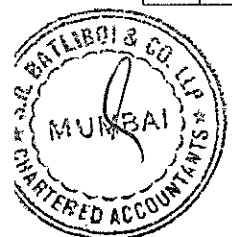
It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

##### D. Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
1	<b>Credit risk</b> Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives.	Measured as the amount that could be lost if a customer or counterparty fails to make repayments;  Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and  Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
2	<b>Liquidity risk</b> Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows.  Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio  Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities  Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company.
3	<b>Market risk</b> Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios.	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios  Monitored using measures, including the sensitivity of net interest income  Managed using risk limits approved by the risk management committee.



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

#### 48. Risk Management

##### 48.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

##### Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

##### Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage 1
Standard grade	31 to 90 dpd	Stage 2
Non-performing		
Individually impaired	90+ dpd	Stage 3

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

##### Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

##### Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

##### Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2020

(Currency : Indian rupees in million)

#### 48. Risk Management (continued)

##### 48.D.1 Credit Risk (continued)

###### Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula.

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} \times \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

###### Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions "

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome

###### Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters

###### Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses

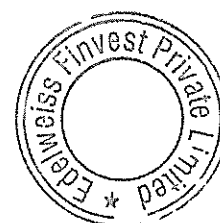
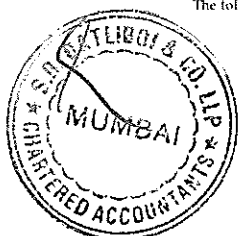
Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years

##### 48.D.2 Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table shows the risk concentration by industry for the components of the balance sheet



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 48. Risk Management (continued)

### Credit Risk (continued)

#### 48.D.2 Industry analysis - Risk concentration as at 31 March 2020

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	1,415.29	-	-	-	-	-	-	-	1,415.29
Derivative financial instruments	1,563.67	-	-	-	-	-	-	-	1,563.67
Securities held for trading	4,923.39	-	-	-	-	-	-	147.19	5,070.58
Trade receivables	-	-	-	-	-	-	-	2.60	2.60
Other receivables	2.78	-	-	-	-	-	-	-	2.78
Loans	2,225.12	-	-	2,218.18	-	-	5,142.32	-	9,585.62
Investments	1,066.15	-	-	-	2,677.59	-	-	2,583.71	6,327.45
Other financial assets	534.40	-	-	-	-	-	-	-	534.40
<b>Total Assets</b>	<b>11,730.80</b>	<b>-</b>	<b>-</b>	<b>2,218.18</b>	<b>2,677.59</b>	<b>-</b>	<b>5,142.32</b>	<b>2,733.50</b>	<b>24,502.39</b>

#### Industry analysis - Risk concentration as at 31 March 2019

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	4,670.11	-	-	-	-	-	-	-	4,670.11
Derivative financial instruments	706.85	-	-	-	-	-	-	-	706.85
Securities held for trading	1,142.86	-	-	-	-	-	-	-	1,142.86
Trade receivables	-	-	-	-	-	-	-	21.34	21.34
Other receivables	-	-	-	-	-	-	-	26.46	26.46
Loans	1,620.97	-	-	4,936.86	10,165.95	3,009.73	5,308.69	-	25,042.20
Investments	1,733.09	-	-	-	-	-	-	128.92	1,862.01
Other financial assets	668.12	-	-	-	-	-	-	-	668.12
<b>Total Assets</b>	<b>10,542.00</b>	<b>-</b>	<b>-</b>	<b>4,936.86</b>	<b>10,165.95</b>	<b>3,009.73</b>	<b>5,308.69</b>	<b>176.72</b>	<b>34,139.95</b>

#### Industry analysis - Risk concentration as at 31 March 2018

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	363.75	-	-	-	-	-	-	-	363.75
Derivative financial instruments	287.70	-	-	-	-	-	-	-	287.70
Securities held for trading	1,699.73	-	-	-	-	-	-	-	1,699.73
Trade receivables	-	-	-	-	-	-	-	12.85	12.85
Other receivables	-	-	-	-	-	-	-	10.60	10.60
Loans	747.07	-	-	6,025.60	14,859.39	5,352.39	1,837.66	-	28,822.11
Investments	4,509.44	-	-	-	-	-	-	108.06	4,617.50
Other financial assets	19.33	-	-	-	-	-	-	-	19.33
<b>Total Assets</b>	<b>7,627.02</b>	<b>-</b>	<b>-</b>	<b>6,025.60</b>	<b>14,859.39</b>	<b>5,352.39</b>	<b>1,837.66</b>	<b>131.51</b>	<b>35,833.57</b>

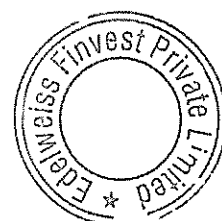
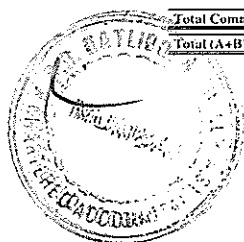
#### 48.D.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties. Securities Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

#### Maximum exposure to credit risk

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	Principal type of collateral
<b>Financial assets</b>				
Cash and cash equivalents	1,415.29	4,670.11	363.75	
Derivative financial instruments	1,563.67	706.85	287.70	
Securities held for trading	5,070.58	1,142.86	1,699.74	The Company invest in high rated Corporate Bonds and listed Equity Shares
Trade receivables	2.60	21.34	12.85	These are receivables mainly from Clearing houses. Group Carrying minimum risk.
Other receivables	2.78	26.46	10.60	
Loans				
(i) Corporate Credit	4,443.32	19,733.51	27,000.13	Equity Shares, Mutual Fund units, Land, Property, Project/Future Receivable etc.
(ii) Retail Credit	5,142.30	5,308.69	1,821.98	Equity shares and Mutual fund units, Bonds, etc.
Investments	6,327.45	1,862.01	4,617.50	
Other financial assets	534.40	668.12	19.33	
<b>Total Financial Assets (A)</b>	<b>24,502.39</b>	<b>34,139.95</b>	<b>35,833.58</b>	
Loan commitments	1,639.89	8,823.44	828.12	Equity Shares, Mutual Fund units, Land, Property, Project Receivable etc.
<b>Total Commitments (B)</b>	<b>1,639.89</b>	<b>8,823.44</b>	<b>828.12</b>	
<b>Total (A+B)</b>	<b>26,142.28</b>	<b>42,963.39</b>	<b>36,661.70</b>	



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (continued)

48.D.3 Collateral and other credit enhancements (continued)

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

Maximum exposure to credit risk as at March 31, 2020

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	756.10	186.53	569.57	855.91
Retail Credit	52.84	1.86	50.97	89.75
<b>Total Financial Assets</b>	<b>808.94</b>	<b>188.39</b>	<b>620.54</b>	<b>945.66</b>

\* Secured by way of a pari passu charge over collateral

Maximum exposure to credit risk as at March 31, 2019

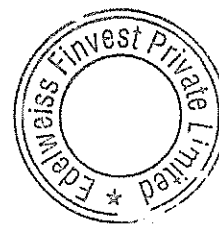
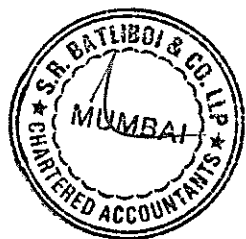
	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	106.83	51.73	55.10	883.20
Retail Credit	4.30	1.23	3.07	3.21
<b>Total Financial Assets</b>	<b>111.13</b>	<b>52.96</b>	<b>58.17</b>	<b>886.41</b>

\* Secured by way of a pari passu charge over collateral

Maximum exposure to credit risk as at March 31, 2018

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	506.20	493.29	12.91	1,158.70
Retail Credit	-	-	-	-
<b>Total Financial Assets</b>	<b>506.20</b>	<b>493.29</b>	<b>12.91</b>	<b>1,158.70</b>

\* Secured by way of a pari passu charge over collateral



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

#### 48. Risk Management (Continued)

##### 48.E Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities, Mutual Funds and Quoted Equity Shares. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Private issue of Debt, Sub Debt etc to maintain a healthy mix.

##### Liquidity Cushion:

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Liquidity cushion			
Debt Securities	4,910.66	1,142.87	101.01
Mutual Fund Investments	-	-	1,498.73
Quoted Equity Instruments	159.92	-	100.00
<b>Total Liquidity cushion</b>	<b>5,070.58</b>	<b>1,142.87</b>	<b>1,699.74</b>

##### Financing Arrangement

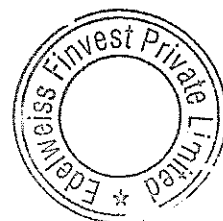
The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Committed Lines from Banks	-	45.00	45.00

##### As at March 31, 2020 - Analysis of contractual maturities of financial assets and liabilities \*

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	1,415.29	-	-	-	-	-	1,415.29
Derivative financial instruments	-	1,563.67	-	-	-	-	1,563.67
Securities held for trading	-	159.92	276.71	4,633.95	-	-	5,070.58
Receivables							
(i) Trade receivables	-	2.60	-	-	-	-	2.60
(ii) Other receivables	-	2.78	-	-	-	-	2.78
Loans	2,225.12	2,478.59	313.45	1,104.86	4,388.18	-	10,510.20
Investments	-	-	-	447.61	2,282.65	3,597.19	6,327.45
Other financial assets	-	534.40	-	-	-	-	534.40
<b>Total undiscounted financial assets</b>	<b>3,640.41</b>	<b>4,741.96</b>	<b>590.16</b>	<b>6,186.42</b>	<b>6,670.83</b>	<b>3,597.19</b>	<b>25,426.97</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	236.46	-	-	-	-	236.46
(b) Trade payables	-	226.45	-	-	-	-	226.45
(c) Debt securities	-	910.98	2,576.59	159.91	7,313.74	2,198.95	13,160.17
(d) Borrowings (other than debt securities)	132.75	30.68	30.08	58.19	135.24	-	386.94
(e) Subordinated Liabilities	-	-	16.55	-	66.05	166.50	249.10
(f) Other financial liabilities	-	0.45	-	-	-	-	0.45
<b>Total undiscounted financial liabilities</b>	<b>132.75</b>	<b>1,405.02</b>	<b>2,623.22</b>	<b>218.10</b>	<b>7,515.03</b>	<b>2,365.45</b>	<b>14,259.57</b>
<b>Total net financial assets / (liabilities)</b>	<b>3,507.66</b>	<b>3,336.94</b>	<b>(2,033.06)</b>	<b>5,968.32</b>	<b>(844.20)</b>	<b>1,231.74</b>	<b>11,167.40</b>

\* The Company have cumulative positive mismatch across time buckets



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (Continued)

48.E Liquidity Risk (Continued)

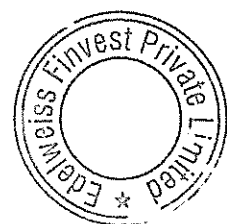
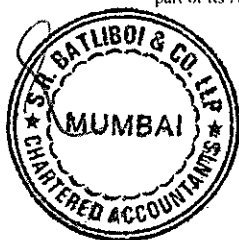
As at March 31, 2019 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	120.11	4,500.00	-	50.00	-	-	4,670.11
Derivative financial instruments	-	706.85	-	-	-	-	706.85
Securities held for trading	-	1,142.86	-	-	-	-	1,142.86
Receivables							
(i) Trade receivables	-	21.34	-	-	-	-	21.34
(ii) Other receivables	-	26.46	-	-	-	-	26.46
Loans	-	2,363.81	1,537.40	4,482.87	23,730.63	1,137.45	33,252.16
Investments	-	-	-	-	-	1,862.01	1,862.01
Other financial assets	-	668.12	-	-	-	-	668.12
<b>Total undiscounted financial assets</b>	<b>120.11</b>	<b>9,429.44</b>	<b>1,537.40</b>	<b>4,532.87</b>	<b>23,730.63</b>	<b>2,999.46</b>	<b>42,349.91</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	422.49	-	-	-	-	422.49
(b) Trade payables	-	323.89	-	-	-	-	323.89
(c) Debt securities	-	4,613.34	1,384.83	4,566.83	9,605.55	2,171.33	22,341.88
(d) Borrowings (other than debt securities)	12.40	33.13	32.52	63.07	254.19	-	395.31
(f) Subordinated Liabilities	-	-	16.45	-	66.05	183.05	265.55
(g) Other financial liabilities	-	22.74	-	-	-	-	22.74
<b>Total undiscounted financial liabilities</b>	<b>12.40</b>	<b>5,415.59</b>	<b>1,433.80</b>	<b>4,629.90</b>	<b>9,925.79</b>	<b>2,354.38</b>	<b>23,771.86</b>
<b>Total net financial assets / (liabilities)</b>	<b>107.71</b>	<b>4,013.85</b>	<b>103.60</b>	<b>(97.03)</b>	<b>13,804.84</b>	<b>645.08</b>	<b>18,578.05</b>

As at March 31, 2018 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	363.75	-	-	-	-	-	363.75
Derivative financial instruments	-	287.70	-	-	-	-	287.70
Securities held for trading	-	1,699.74	-	-	-	-	1,699.74
Receivables							
(i) Trade receivables	-	12.85	-	-	-	-	12.85
(ii) Other receivables	-	10.60	-	-	-	-	10.60
Loans	-	502.33	1,132.50	2,919.55	32,715.16	1,728.01	38,997.55
Investments	-	-	-	-	-	4,617.50	4,617.50
Other financial assets	-	19.33	-	-	-	-	19.33
<b>Total undiscounted financial assets</b>	<b>363.75</b>	<b>2,532.55</b>	<b>1,132.50</b>	<b>2,919.55</b>	<b>32,715.16</b>	<b>6,345.51</b>	<b>46,009.02</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	212.44	-	-	-	-	212.44
(b) Trade payables	-	345.54	-	-	-	-	345.54
(c) Debt securities	-	1,051.21	3,697.11	2,504.87	9,290.92	1,613.73	18,157.84
(d) Borrowings (other than debt securities)	7,774.17	37.31	31.08	843.40	382.92	-	9,068.88
(f) Subordinated Liabilities	-	-	16.55	-	66.00	199.55	282.10
(g) Other financial liabilities	-	16.54	-	-	-	-	16.54
<b>Total undiscounted financial liabilities</b>	<b>7,774.17</b>	<b>1,663.04</b>	<b>3,744.74</b>	<b>3,348.27</b>	<b>9,739.84</b>	<b>1,813.28</b>	<b>28,083.34</b>
<b>Total net financial assets / (liabilities)*</b>	<b>(7,410.42)</b>	<b>869.51</b>	<b>(2,612.24)</b>	<b>(428.72)</b>	<b>22,975.32</b>	<b>4,532.23</b>	<b>17,925.68</b>

\* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO activities has raised long term funds during the financial year 2018-19 and has a positive ALM position as at March 31, 2019





# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

### 48. Risk Management (Continued)

#### 48.E Liquidity Risk (Continued)

##### Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments

##### As at March 31, 2020

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	-	-	-	-
Undrawn committed credit lines	-	-	1,639.89	-	-	1,639.89
Uncalled commitments on investments in AIF/ Venture Fund	-	-	3,345.13	-	-	3,345.13
	-	-	4,985.02	-	-	4,985.02

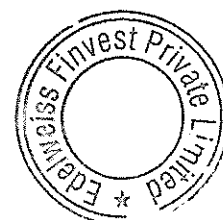
##### As at March 31, 2019

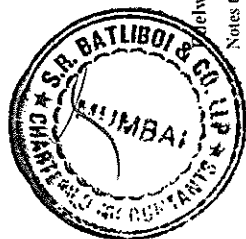
Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	0.06	-	-	0.06
Undrawn committed credit lines	-	-	8,823.44	-	-	8,823.44
Uncalled commitments on investments in AIF/ Venture Fund	233.87	-	-	-	-	233.87
	233.87	-	8,823.50	-	-	9,057.37

##### As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	1.96	-	-	1.96
Undrawn committed credit lines	-	-	828.12	-	-	828.12
Uncalled commitments on investments in AIF/ Venture Fund	269.84	-	-	-	-	269.84
	269.84	-	830.08	-	-	1,099.92

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments





# **Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## **48. Risk Management (Continued)**

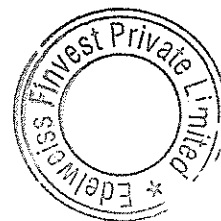
### **48.F Market Risk**

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios

#### **Total market risk exposure**

Below table shows total market risk exposure of financial assets liabilities and financial liabilities with primary risk associated with class of respective financial assets.

Particulars	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk
<b>Financial Assets</b>									
Cash and cash equivalents	1,415.29	-	1,415.29	4,670.11	-	4,670.11	363.75	-	363.75
Derivative financial instruments	1,563.67	1,563.67	-	706.85	706.85	-	287.70	287.70	-
Securities held for trading	5,070.58	5,070.58	-	1,142.86	1,142.86	-	1,699.74	1,699.74	-
Trade receivables	2.60	-	2.60	21.34	-	21.34	12.85	-	12.85
Other receivables	2.78	-	2.78	26.46	-	26.46	10.60	-	10.60
Loans	9,237.76	-	9,237.76	24,560.55	-	24,560.55	27,977.43	-	27,977.43
Investments	6,327.45	-	6,327.45	1,862.01	-	1,862.01	4,617.50	-	4,617.50
Other financial assets	534.40	-	534.40	668.12	-	668.12	19.33	-	19.33
<b>Total Assets</b>	<b>24,154.53</b>	<b>6,634.25</b>	<b>17,520.28</b>	<b>33,658.30</b>	<b>1,849.71</b>	<b>31,808.59</b>	<b>34,988.90</b>	<b>1,987.44</b>	<b>33,001.46</b>
<b>Financial Liabilities</b>									
Derivative financial instruments	236.46	236.46	-	422.49	422.49	-	212.44	212.44	-
Trade payables	226.45	-	226.45	323.89	-	323.89	345.54	-	345.54
Debt securities	13,160.17	-	13,160.17	22,275.76	-	22,275.76	17,970.76	-	17,970.76
Borrowings (other than debt securities)	352.11	-	352.11	337.18	-	337.18	8,198.80	-	8,198.80
Subordinated Liabilities	161.09	-	161.09	161.17	-	161.17	161.26	-	161.26
Other financial liabilities	0.45	-	0.45	22.74	-	22.74	16.54	-	16.54
<b>Total Liabilities</b>	<b>14,136.73</b>	<b>236.46</b>	<b>13,900.27</b>	<b>23,543.23</b>	<b>422.49</b>	<b>23,120.74</b>	<b>26,905.34</b>	<b>212.44</b>	<b>26,692.90</b>



## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

### 48. Risk Management

#### 48.F Market Risk (continued)

##### Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of 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. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2020 and at 31 March 2019

##### Interest rate sensitivity

###### As at March 31, 2020

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(0.56)	-	25	0.56	-
Corporate debt securities	25	(12.28)	-	25	12.28	-

###### As at March 31, 2019

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(0.81)	-	25	0.81	-
Corporate debt securities	25	(2.86)	-	25	2.86	-

###### As at March 31, 2018

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(1.06)	-	25	1.06	-
Corporate debt securities	25	(0.25)	-	25	0.25	-

##### Price Risk

The Company's exposure to securities price risk arises from investments held in Equity Shares classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

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

###### As at March 31, 2020

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	5.18	-	5	(5.18)	-
Equity instruments	5	8.00	-	5	(8.00)	-

###### As at March 31, 2019

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	171.75	-	5	(171.75)	-

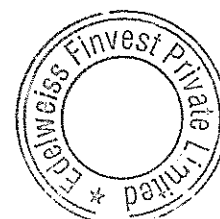
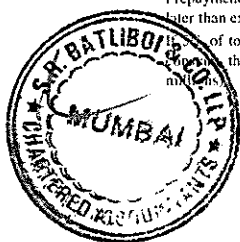
###### As at March 31, 2018

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(6.32)	-	5	6.32	-
Equity instruments	5	5.00	-	5	(5.00)	-
Mutual fund units	5	74.94	-	5	(74.94)	-

### 48.G Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario

Of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by Rs. 14.68 million (31st March 2019 - Rs. 105.94 million & 31st March 2018 - Rs.83.61 million)



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

**49 Regulatory disclosures - RBI**

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

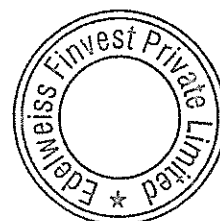
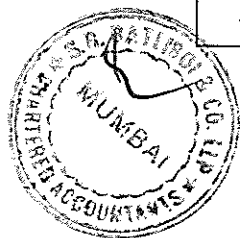
**49.01 Investments**

	As at March 31, 2020	As at March 31, 2019
<b>1) Value of Investments *</b>		
i) Gross Value of Investments		
a) In India	6,693.80	1,503.04
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	366.35	(358.97)
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	6,327.45	1,862.01
b) Outside India	-	-
<b>2) Movement of provisions held towards depreciation / (Appreciation) on investments.</b>		
i) Opening balance	(358.97)	(225.71)
ii) Add : Provisions made during the year	725.32	(133.26)
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	366.35	(358.97)

\* It includes only investments (Refer Note 13C)

**49.02 Capital to Risk Assets Ratio (CRAR)**

	As at March 31, 2020	As at March 31, 2019
i) CRAR (%)	19.85%	28.44%
ii) CRAR - Tier I capital (%)	19.05%	26.64%
iii) CRAR - Tier II Capital (%)	0.80%	1.80%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-



49.03 Exposure to real estate sector, both direct and indirect

	As at March 31, 2020	As at March 31, 2019
<b>A Direct Exposure</b>		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to ₹.15 lakhs may be shown separately)	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	-	14,178.15
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures *		
- Residential	-	-
- Commercial Real Estate	2,677.59	-
<b>B Indirect Exposure</b> Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>C Others (not covered above)</b>	-	-

\* Represents Investment in Security Receipts having underlying exposure in Commercial Real Estate

49.04 Securitisation/ Direct Assignment:

Disclosures in the notes to the accounts in respect of financial assets sold to Securitisation /Reconstruction Company pursuant to Reserve Bank of India notification DNBR (PD) CC.No.029/03.10.001/2014-15 dated 10th April 2015

a. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	2019-20	2018-19
i) No. of accounts	9	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	4,870.24	-
iii) Aggregate consideration	4,850.90	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	-
v) Aggregate gain / loss over net book value	(19.34)	-

b. Details of non-performing financials assets purchased / sold

During the year the Company has not purchased non-performing financials assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

	As at March 31, 2020	As at March 31, 2019
1 (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2 (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold:

	As at March 31, 2020	As at March 31, 2019
1 No. of accounts sold	2	-
2 Aggregate outstanding	108.80	-
3 Aggregate consideration received	108.80	-



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 49 Regulatory disclosures - RBI (Continued)

### 49.05 Exposure to Capital Market

	As at March 31, 2020	As at March 31, 2019
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	804.24	596.72
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	4,693.32	3,074.58
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	2,218.18	6,845.75
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	119.02	91.65
ix) others (not covered above)	-	-
<b>Total Exposure</b>	<b>7,834.76</b>	<b>10,608.70</b>

### 49.06 Asset Liability Management -Maturity pattern of certain items of assets and liabilities

As at 31 March 2020 \*

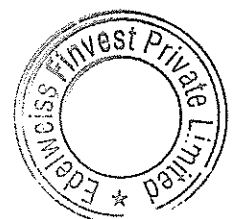
Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter- corporate loan	Loans (Gross)	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	-	132.75	2,225.12	-	-
Over One months to 2 months	-	166.67	-	-	-	159.92
Over 2 months up to 3 months	25.00	744.31	-	2,218.20	-	-
Over 3 months to 6 months	25.00	2,587.68	-	110.08	-	276.71
Over 6 months to 1 year	50.00	159.91	-	857.04	447.61	4,633.95
Over 1 year to 3 years	119.36	6,979.91	-	4,175.18	2,282.65	-
Over 3 years to 5 years	-	333.83	-	-	-	-
Over 5 years	-	2,348.95	-	-	3,597.18	-
<b>Total</b>	<b>219.36</b>	<b>13,321.26</b>	<b>132.75</b>	<b>9,585.62</b>	<b>6,327.44</b>	<b>5,070.58</b>

\* The Company have cumulative positive mismatch across time buckets

As at 31 March 2019

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter- corporate loan	Loans (Gross)	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	3,618.90	12.40	834.35	-	1,142.86
Over One months to 2 months	-	816.78	-	146.95	-	-
Over 2 months up to 3 months	25.00	139.20	-	879.80	-	-
Over 3 months to 6 months	25.00	1,395.31	-	801.90	-	-
Over 6 months to 1 year	50.00	4,560.96	-	2,864.12	-	-
Over 1 year to 3 years	200.00	6,636.87	-	15,131.07	-	-
Over 3 years to 5 years	24.78	2,951.62	-	3,486.62	-	-
Over 5 years	-	2,317.29	-	897.39	1,862.01	-
<b>Total</b>	<b>324.78</b>	<b>22,436.93</b>	<b>12.40</b>	<b>25,042.20</b>	<b>1,862.01</b>	<b>1,142.86</b>

Further, the Company had temporarily deployed its excess liquidity aggregating to Rs. 4,501.92 million as at March 31, 2019 in the short term fixed deposit with the bank. Accordingly, the Company is well poised to meet its contractual obligations over all the maturity due



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 49 Regulatory disclosures - RBI (Continued)

### 49.07 Movements of stage 3 assets:

The following table sets forth, for the periods indicated, the details of movement of stage 3 assets, stage 3 assets net of stage 3 provision and stage 3 provision.

	As at March 31, 2020	As at March 31, 2019
i) Stage 3 assets net of stage 3 provision to net advances (%)	6.60%	0.23%
ii) Movement of Stage 3 assets *		
a) Opening Balance	111.13	506.20
b) Additions during the year	5,676.85	106.84
c) Reductions during the year*	4,979.04	501.91
d) Closing balance	808.94	111.13
iii) Movement of Stage 3 assets net of stage 3 provisions		
a) Opening Balance	58.17	12.91
b) Additions during the year	5,500.02	63.44
c) Reductions during the year	4,937.64	20.18
d) Closing balance	620.55	58.17
iv) Movement of stage 3 provisions: (excluding provision on Stage 1/Stage 2)		
a) Opening Balance	52.96	493.29
b) Additions during the year	176.83	41.40
c) Reductions during the year	41.40	481.73
d) Closing balance	188.39	52.96

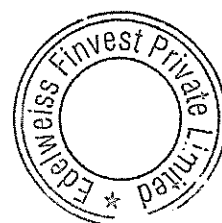
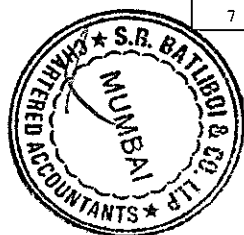
\* Includes stage 3 assets written off during the year Rs Nil. (Previous year: Rs 483.55 million)

### 49.08 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown in the Statement of Profit and loss	2019-20	2018-19
i) Provisions for depreciation on Investment	-	-
ii) Provision towards Stage 3 assets (net)	135.43	(440.33)
iii) Provision made towards Income tax (net)	216.37	670.17
iv) Provision for Stage 1/Stage 2 assets	(269.22)	77.30
v) Other Provision and Contingencies		
a) Provision for gratuity	1.28	4.49
b) Provision for compensated absences	(1.37)	1.99

### 49.09 Concentration of Deposits, Advances, Exposures and NPAs

	As at March 31, 2020	As at March 31, 2019
A) Concentration of Advances		
Total Advances to twenty largest borrowers	8,637.92	15,718.14
% of Advances to twenty largest borrowers to Total Advances	90.11%	62.77%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	8,637.92	15,718.14
% of Exposures to twenty largest borrowers / Customers to Total Advances	90.11%	62.77%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	805.17	86.23
D) Sector-wise NPAs		
Sectors/Particulars	% of NPAs to Total Advances in that sector	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	17.02%	0.42%
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other loans	1.03%	-



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 49 Regulatory disclosures - RBI (Continued)

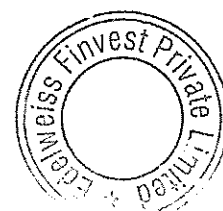
49.10 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

### Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	10,138.76	19,286.04	-	-
(ii) Unsecured	3,182.50	3,150.89	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	219.36	324.78	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Other loans				
(i) Inter corporate loan	-	12.40	-	-
(ii) From Related parties	132.75	-	-	-

### Assets side:

	Amount Outstanding	
	As at March 31, 2020	As at March 31, 2019
2) Break up of Loans and Advances including bills receivables		
(other than those included in (3) below)		
a) Secured	6,503.52	22,365.26
b) Unsecured	3,082.11	2,676.94
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments		
a) Quoted		
(i) Shares/ Equity	159.92	-
Preference	-	-
(ii) Debentures and Bonds	4,910.66	1,142.86
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares/ Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-





# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 49 Regulatory disclosures - RBI (Continued)

49.10 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

4) Break up of Investments (Continued)	Amount Outstanding	
	As at March 31, 2020	As at March 31, 2019
Long-Term Investments (Net of Provision)		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	804.24	596.72
Preference	484.60	37.27
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
- Investments in security receipts of trusts	2,703.45	845.69
- Investments in units of funds	2,282.66	382.33
- Investments in warrants	52.50	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above  
As at 31 March 2020

As at 31 March 2019

Particulars	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	2,225.06	2,225.06	-	1,422.14	1,422.14
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	6,196.82	815.88	7,012.70	21,885.18	1,253.23	23,138.41
<b>TOTAL</b>	<b>6,196.82</b>	<b>3,040.94</b>	<b>9,237.76</b>	<b>21,885.18</b>	<b>2,675.37</b>	<b>24,560.55</b>

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	5,789.33	880.82	5,789.33	880.82
(c) Other related parties	-	-	-	-
2) Other than related parties	5,608.70	2,124.05	5,608.70	2,124.05
<b>TOTAL</b>	<b>11,398.03</b>	<b>3,004.87</b>	<b>11,398.03</b>	<b>3,004.87</b>

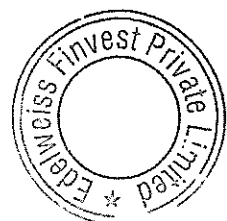
\*\* As per Ind AS 24 - Related Party Disclosures

## 7) Other Information

Particulars	As at March 31, 2020	As at March 31, 2019
a) Gross Stage 3 assets		
1) Related parties	-	-
2) Other than related parties	808.94	111.13
b) Stage 3 Assets Net of Provision		
1) Related parties	-	-
2) Other than related parties	620.55	58.17
c) Assets acquired in satisfaction of debt	-	-

## Notes:

- As defined in paragraph 21(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case of unquoted shares in absence of market value / breakup value or fair value or NAV



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

**49 Regulatory disclosures - RBI (Continued)**

49.11 Registration obtained from other financial sector regulators - Nil

49.12 The Company has not restructured any loans and advances during the year ended 31 March 2020 and 31 March 2019.

49.13 Disclosure of Penalties imposed by RBI and other regulators- Nil (Previous year - Nil)

49.14 Overseas Assets - Nil (Previous year - Nil)

49.15 Details of financing of parent company products - Nil (Previous year - Nil)

49.16 Off-Balance sheet SPV sponsored - Nil (Previous year - Nil)

49.17 Draw Down from Reserves: Nil (Previous year - Nil)

49.18 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil (Previous Year - Nil)

**49.19 Details of ratings assigned by credit rating agencies**

As at 31 March 2020

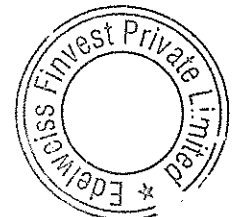
Instrument category	Brickworks	CARE	CRISIL	ICRA
i) Long Term Instruments				
Rating	AA / Negative	AA- / Stable	AA- / Stable	AA- / Negative
Amount	3,000.00	1,500.00	12,000.00	13,000
ii) Short term instruments				
Rating	-	-	A1+	A1+
Amount	-	-	40,000.00	2,000.00
iii) Market linked debentures				
a Short Term				
Rating	LD AA / Negative	PP- MLD AA-	PP- MLD AA-r / Stable	PP-MLD [ICRA] AA- / Negative
Amount	3,000.00	5,875.20	21,000.00	10,074
b Long Term				
Rating			PP - MLD A1+r	PP-MLD [ICRA]A1+r
Amount	-	-	5,000.00	1,500.00

As at 31 March 2019

Instrument category	Brickworks	CARE	CRISIL	ICRA
i) Long Term Instruments				
Rating	AA+	AA	AA/Stable	AA
Amount	3,000.00	1,500.00	12,000.00	13,000.00
ii) Short term instruments				
Rating	-	-	A1+	A1+
Amount	-	-	10,000.00	12,000.00
iii) Market linked debentures				
a Short Term				
Rating	-	-	PP- MLD	PP-MLD [ICRA]A1+
Amount	-	-	5,000.00	1,500.00
b Long Term				
Rating	PP-MLD AA+	PP MLD-AA	PP MLD AA r/Stable	PP-MLD [ICRA]AA
Amount	3,000.00	6,893.20	29,000.00	10,070.00

**49.20 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:**

During the year ended 31 March 2020 and 31 March 2019, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 49 Regulatory disclosures - RBI (Continued)

### 49.21 Customer Complaints

	2019-20	2018-19
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

### 49.22 Details of transaction with non executive directors

The Company has not undertaken any transaction with its non-executive directors during the year ended 31 March 2020 (Previous year: Nil), except as disclosed in Note 45

### 49.23 Funding Concentration based on significant counterparty (both deposits and borrowings)

As at March 31,  
2020

Number of Significant Counter Parties *	13
Number of Significant Counter Parties - Outstanding Amount *	3,356.00
i) Significant Counter Parties as % of Total Deposits	NA **
ii) Significant Counter Parties as % of Total Liabilities***	23.39%

\* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's borrowings (principal amount)

\*\* The Company is non deposit taking NBFC, accordingly this ratio is not applicable to the Company

\*\*\* "Total liabilities" refers to total external liabilities (i.e. excluding total equity)

### 49.24 Concentration of Deposits

Total Deposits from twenty largest lenders	NA *
% of Deposits from twenty largest lenders to Total Deposits	NA *

\* The Company is non deposit taking NBFC, accordingly this ratio is not applicable to the Company

### 49.25 Concentration of Borrowings

Total Borrowings from Top Ten lenders	2,946.60
% of Borrowings from Top Ten lenders to Total Borrowings	21.55%

### 49.26 Funding Concentration based on significant instrument/product \*

As at March 31, 2020

No.	Name of the Instrument / Product	Amount	% of Total Liabilities **
a) Market Borrowings		13,321.26	92.83%
b) Term Loans		219.36	1.53%

\* "Significant instrument/product" is defined as a single instrument/product of group of similar instrument/products which in aggregate amount to more than 1% of the NBFC-NDSI's total liabilities

\*\* "Total liabilities" refers to total external liabilities (i.e. excluding total equity)

### 49.27 Stock Ratios

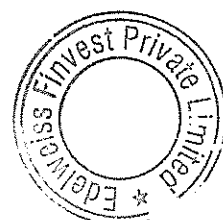
As at March 31,  
2020

a) Commercial Papers (Net Outstanding)	
i) Commercial Papers as % of total public funds *	0.00%
ii) Commercial Papers as % of Total Liabilities ***	0.00%
iii) Commercial Papers as % of Total Assets	0.00%
b) Non-convertible debentures (original maturity of less than one year)	
i) Non-convertible debentures as % of total public funds *	0.00%
ii) Non-convertible debentures as % of Total Liabilities ***	0.00%
iii) Non-convertible debentures as % of Total Assets	0.00%
c) Other Short term liabilities **	132.75
i) Other Short term liabilities as % of total public funds *	0.97%
ii) Other Short term liabilities as % of Total Liabilities ***	0.93%
iii) Other Short term liabilities % of Total Assets	0.54%

\* "Total public funds" refers to the aggregate of Debt securities, Borrowing other than debt securities and Subordinated liabilities

\*\* "Other short-term liabilities" refers to the borrowing in short term in nature

\*\*\* "Total liabilities" refers to total external liabilities (i.e. excluding total equity)



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

## 49 Regulatory disclosures - RBI (Continued)

### 49.28 Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee

The Asset Liability Management Committee, inter alia

- Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any
- Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;
- Develop risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and
- Ensure that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time

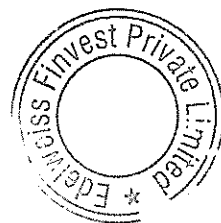
The Company ensures sufficient Liquidity Cushion is maintained in the form of Cash and cash equivalents and Investments in liquid securities. These assets carry minimal credit risk and can be liquidated in a very short period of time. This takes care of immediate obligations while continuing to honour our commitments as a going concern. The Company continues to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity

### 49.29 Prudential Floor for ECL

As required in terms of paragraph 2 of circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - Non-Banking Financial Company - Implementation of Indian Accounting Standards

As at March 31, 2020

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
<b>Performing Assets</b>						
Standard	Stage-1	6,350.53	0.57	6,349.95	25.40	(24.83)
	Stage-2	2,426.15	158.90	2,267.25	9.70	149.20
Sub Total		8,776.68	159.47	8,617.20	35.11	124.36
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	801.12	186.67	614.45	80.11	106.56
Doubtful - up to 1 year	Stage-3	2.95	-	2.95	0.59	(0.59)
1 to 3 Years	Stage-3	4.86	1.72	3.14	1.46	0.26
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		7.81	1.72	6.09	2.05	(0.33)
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		808.94	188.39	620.54	82.16	106.23
<b>C. Other Items</b>						
Other items such as guarantees, loan commitments, etc., which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
<b>Total</b>	Stage-1	6,350.53	0.57	6,349.95	25.40	(24.83)
	Stage-2	2,426.15	158.90	2,267.25	9.70	149.20
	Stage-3	808.94	188.39	620.54	82.16	106.23
<b>Total</b>		<b>9,585.62</b>	<b>347.86</b>	<b>9,237.74</b>	<b>117.26</b>	<b>230.60</b>



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

**50 Other Disclosures**

**50.01 Foreign Currency**

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2020 (Previous year: Rs. Nil)

**50.02** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020

**51 Disclosures pursuant to RBI notification - RBI/2019-20/220 DOR.No. BP.BC.63/21.04.048/2019-20 dated 17 April 2020 SMA/overdue categories, where the moratorium/deferment was extended**

The company has extended moratorium/ deferment of term loan installments falling due in moratorium period to its eligible customers who have opted for moratorium under RBI circular on 'COVID-19 - Regulatory Package' dated March 27, 2020 and 'COVID19 Regulatory Package - Asset Classification and Provisioning' dated April 17, 2020. The aggregating amount of customers in SMA/ Overdue categories as at March 31, 2020 is Rs. Nil

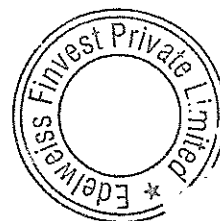
Asset classification has been extended for an aggregate amount of Rs. Nil and provision made during Q4 FY2020 as per paragraph 5 of the above mentioned RBI circular is Rs. Nil.

**52** As of date of signing of financial statement, the Company has all KMP's as per the Companies Act, 2013 except Chief Financial Officer (CFO) and Company Secretary (CS). The CS resigned effective March 31, 2020 and CFO resigned effective May 4, 2020. The Company is in the process of filing up the vacancies.

**53** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

**54** Pursuant to the income tax assessment orders received, provision for tax recorded in the books of accounts and related income tax returns filed for respective years, the Company has assessed a tax expense reversal of Rs 18.65 crs. Since these tax expense pertains to earlier years i.e AY 2017-18 & 2018-19, the Company has recognised the impact of these tax expense reversal in its retained earnings, so as to provide reliable and more relevant information about the Company's financial position and its performance. Accordingly, as per para: 42 of Ind-As 8, the company has changed the respective year financial statements to give effect to above adjustments, the impact of such adjustment on the financial position and financial performance is given below:

Financial Statement line item	As at March 31, 2019	As at April 01, 2018
	Increase /(Decrease)	Increase /(Decrease)
a. Other Equity	-	186.53
b. Current Tax Liabilities (Net)	-	(186.53)



**A The Covid-19 pandemic**

The Covid-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activity. The Company is primarily engaged in offering structured collateralised credit to corporates and real estate finance to developers and loan against securities to its retail credit customers. All of these segments were impacted over the past few years and consequent to COVID 19 pandemic are expected to be significantly impacted by reduced income and/or job losses of the borrowers, reduced economic activities and delay in completion and sale of real estate projects. The Indian Government too has imposed lockdowns starting from March 24, 2020. The Indian economy would be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on EFPL's results, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020 and April 17, 2020 the Company has granted a moratorium of 3 months and extended the same for a further period of 3 months in accordance with the announcement by the RBI on May 22, 2020 for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. In respect of accounts overdue but standard as at February 28, 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Company, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. Based on the assessment of the Company, in the absence of other credit risk indicators, the granting of the moratorium does not itself result in accounts becoming past due and triggering Stage 2 and Stage 3 classification criteria.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC. Company's lenders to seek/extend moratorium and various other financial support from other banks, agencies and its parent entity in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity during current period and for the period going forward.

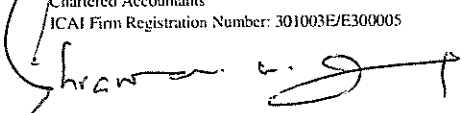
In assessing the recoverability of loans, receivables, intangible assets, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. EFPL has also considered the impact of COVID-19 pandemic while estimating the recoverability during the full year ended March 2020. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

**B Sale of certain financial assets**

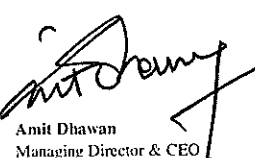
The Company had initiated sale of certain financial assets before March 31, 2020 and for which definitive contracts were executed post the balance sheet date. These financial assets sold subsequent to March 31, 2020, amounted to Rs. 770.00 million to alternative assets fund. As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID - 19 pandemic. Accordingly, management assessed that such loans that were sold by the Company subsequent to March 31, 2020 had an increased risk but were not credit impaired. As at March 31, 2020, there are no impact on the financial statements of the Company other than expected credit loss recorded amounting to Rs. 398.70 million.


56 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005  
  
per Shirwan Jalan  
Partner  
Membership No: 102102

For and on behalf of the Board of Directors

  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

  
Ashish Behar  
Director  
DIN: 07789972

Mumbai July 03, 2020



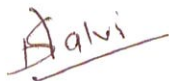
**Certified true extract of the Resolution passed by the Board of Directors of Edelweiss Finvest Private Limited at its Meeting held on February 12, 2020**

---

**"RESOLVED** that pursuant to the provisions of Sections 42, 71 and 179 of the Companies Act, 2013 as amended from time to time (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (the Rules), as amended from time to time and other applicable provisions, if any, of the Act and the Rules (including any statutory modification(s) or re-enactment thereof), subject to the provisions of any other statutes, Regulations, if any, and pursuant to SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and other applicable SEBI Rules and Regulations, as amended from time to time and subject to the provisions of any other applicable statutes, Regulations, if any and subject to the Memorandum & Articles of Association of the Company, subject to the approval, consent, permission, exemption and/or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to the approval of the members of the Company and to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to offer and invite subscriptions for the Non- Convertible Debentures ("the Debentures") aggregating to Rs. 5,000 crores to the eligible investors on a private placement basis, in one or more tranches and that the NCDs may be Secured, Unsecured, Listed on the Stock Exchange(s) and/or Unlisted.

**FURTHER RESOLVED** that subject to and in accordance with the provisions of the Act, the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard."

**For Edelweiss Finvest Private Limited**



**Nishant Salvi**

**Company Secretary**

**Address: Edelweiss House, Off C.S.T Road, Kalina, Mumbai- 400 098.**

**Membership No: A55161**




**Certified true extract of the Special Resolution passed by the Members of Edelweiss Finvest Private Limited at the Extraordinary General Meeting of the Company held on October 15, 2018**

---

**Increase in the Borrowing Limits**

"RESOLVED that in partial modification of the Special Resolution passed by the members of the Company at the Extra-Ordinary General Meeting (EGM) held on June 28, 2017, consent of the Members of the Company be and is hereby accorded, pursuant to Sections 180(1)(c) and 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time (the 'Act'), and the Rules framed there under and as amended from time to time (the Rules) to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for borrowing from time to time, any sum or sums of money for the purposes of the Company, upon such terms and conditions and with or without security, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the sums already borrowed, may exceed at any time the aggregate of the paid-up share capital, free reserves ( i.e.the reserves not set apart for any specific purpose(s)) and securities premium of the Company provided however that the sums so borrowed from time to time and remaining outstanding on account of principal shall not, at any time, exceed Rs. 7,500 Crores (Rupees Seven Thousand Five Hundred Crores only) "

**For Edelweiss Finvest Private Limited**



**Niket Joshi**  
**Company Secretary**  
**Membership No.: 54980**



**Certified true extracts of the Explanatory Statement in respect of the Special Resolution passed by the Members of Edelweiss Finvest Private Limited at the Extraordinary General Meeting of the Company held on October 15, 2018**

---

**Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.**

In accordance with the provisions of Sections 180(1)(a) and 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, the members at the Extra-Ordinary General Meeting held on June 28, 2017 by Special Resolution, had authorised the Board of Directors of the Company to borrow monies in excess of the paid-up share capital and free reserves upto Rs. 5,000 crores ( Rupees Five Thousand Crores only) in one or more tranches and, to secure the re-payment thereof.

To meet its financial requirements, the Company has been raising funds by borrowing monies and the Company may require additional funds. It is, therefore, proposed to obtain the approval of the members authorising the Board of Directors of the Company (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to borrow monies in one or more tranches notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Bankers of the Company in the ordinary course of business) together with the sums already borrowed, may exceed at any time the aggregate of the paid-up share capital, free reserves (i.e. the reserves not set apart for any specific purpose(s)) and securities premium of the Company provided however that the sums so borrowed from time to time and remaining outstanding on account of principal shall not, at any time, exceed Rs. 7,500 Crores (Rupees Seven Thousand Five Hundred Crores only) and, to secure the repayment thereof.

The Board recommends the passing of the Special Resolution set out in Item No. 1 of the Notice.

None of the Directors, Key Managerial Personnels and their relatives are in any way, concerned or interested in this item of business.

**For Edelweiss Finvest Private Limited**



**Niket Joshi**  
**Company Secretary**  
**Membership No.: 54980**

**Certified True Extracts of the Minutes of the Meeting of the Board of Directors of Edelweiss Finvest Private Limited held on August 7, 2018.**


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**(2) Increase / Revision in the Borrowing Powers of the Company:**

“**RESOLVED** that pursuant to Section 179 of the Companies Act, 2013 as amended from time to time (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time (the Rules ) and subject to the approval of the members of the Company in accordance with the provisions of Section 180(1) (a) and 180(1) (c) of the Act, approval of the Board of Directors of the Company (the Board which term shall include any committee which the Board has constituted or might constitute) be and is hereby accorded to borrow from time to time, in one or more tranches any sum or sums of money for the purposes of the Company, upon such terms and conditions and with or without security, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up share capital, free reserves (that is to say, reserves not set apart for any specific purposes) and securities premium of the Company, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed Rs. 7,500 crores.

**FURTHER RESOLVED** that within the overall limits of Rs. 7,500 crores, the Operations Committee (the Committee) be and is hereby authorised on behalf of the Board, to borrow monies on such terms and conditions including the rate of interest and the security, as the Committee may deem fit and do all such acts, deeds, matters and things as may be necessary for giving effect this Resolution and to exercise its powers including the powers conferred by this Resolution. ”

**Certified True Copy  
For Edelweiss Finvest Private Limited**



**Niket Joshi  
Company Secretary  
ACS No.: 54980**

**Certified true extract of the Special Resolution passed by the Members of Edelweiss Finvest Private Limited at the Extraordinary General Meeting of the Company held on March 9, 2020.**

---

**"RESOLVED** that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time, the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time ("the Rules"), and pursuant to the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and other applicable SEBI Rules and Regulations, as amended from time to time and subject to the provisions of the relevant Reserve Bank of India (RBI) Directions, Rules and Regulations, and further subject to the provisions of any other applicable statutes, Regulations, if any, subject to the provisions of the Memorandum & Articles of Association of the Company and subject to the approval, consent, permission, exemption and/or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures ("the Debentures") including subordinated Debentures qualifying as Tier-II debt in terms of the relevant RBI Regulations, aggregating to Rs. 5,000 crores, for a period of 1 year from the date of passing the resolution, to the eligible investors, on a private placement basis, in one or more tranches, on such terms and conditions as the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) may deem fit and wherever necessary, in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and/or any other agency(ies) which the Board may deem fit and appropriate, however at any given point of time the aggregate limit of funds raised/to be raised by the Company, including issue of Debentures shall not exceed the overall borrowing limits of the Company.

**FURTHER RESOLVED** that subject to and in accordance with the provisions of the Act, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including delegation of powers extended unto the Board herein, and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company."

**For Edelweiss Finvest Private Limited**



**Nishant Salvi**

**Company Secretary**

**Address: Edelweiss House, Off C.S.T Road, Kalina, Mumbai- 400 098.**

**Membership No: A55161**



**Edelweiss Finvest Private Limited**

Corporate Identity Number: U65993MH2006PTC164007

Registered Office: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai 400070 © +91 22 4272 2200

**Certified true extract of the Explanatory Statement in respect of the Special Resolution passed by the Members of Edelweiss Finvest Private Limited at the Extraordinary General Meeting of the Company held on March 9, 2020.**

---

The Members of the Company at the Extraordinary General Meeting held on March 28, 2019, by way of a Special Resolution had authorised the Board of Directors of the Company (which term includes any Committee of the Board to exercise its powers including the powers conferred by the Resolution) to issue Non- Convertible Debentures ("Debentures") on a private placement basis upto an amount not exceeding Rs. 5,000 Crores in one or more tranches.

In accordance with the provisions of Section 42 of the Companies Act, 2013 as amended from time to time (the Act) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time (the Rules), the Special Resolution passed under section 42 of the Act and the Rules will remain valid for a period of 1 year from the date of passing the resolution.

Accordingly, it is proposed to seek the prior approval of the Members by way of a passing Special Resolution as proposed in the Notice for issuing NCDs on a private placement basis for an amount not exceeding Rs. 5,000 crores, in one or more tranches. The NCDs may be issued at par or at a premium and, may be listed on the Stock Exchange(s) and, on such other terms and conditions as the Board or the Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution, may determine.

The disclosures as required under Section 42 of the Act and the Rules are as under:

**a) Particulars of offer including date of passing the Board Resolution:**

Resolution for issue of NCDs on a Private Placement Basis for a value not exceeding Rs. 5000 crores, in one or more tranches, has been passed by the Board in its meeting held on February 12, 2020. The Board shall determine specific terms and conditions of the offer at the time of issuance of respective series/ tranche of NCDs.

**b) Kind of Securities offered and the price at which security is being offered:**

Issue Price of Non- Convertible Debentures (NCDs) shall be determined at the time of issue of respective series of NCDs and each tranche may be issued at par or premium or discount depending upon the market scenario and various other factors impacting the price of non-convertible debentures in general.

**c) Basis or justification for the price (including premium, if any) at which the offer or invitation is being made:**

Not Applicable.

d) Name and address of valuer who performed valuation:

Not Applicable

e) Amount which the company intends to raise by way of such securities:

Amount aggregating upto Rs. 5,000 crores in one or more tranches.

f) Material terms of raising such securities, proposed time schedule, purpose or objects of offer, contribution being made by the promoters or Director either as part of offer or separately in furtherance of objects; principal terms of assets charged as securities:

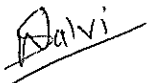
The Board shall determine the terms and conditions of the offer at the time of issuance of respective series/tranche of NCDs.

The Special Resolution set out herein shall remain in force for a period of 1 year from the date of passing the resolution.

The Board recommends the passing of the Special Resolution set out in Item No. the Notice.

None of the Directors and the Key Managerial Personnel and their relatives are interested or concerned in any manner in this item of business.

**For Edelweiss Finvest Private Limited**



**Nishant Salvi**

**Company Secretary**

**Address: Edelweiss House, Off C.S.T Road, Kalina, Mumbai- 400 098.**

**Membership No: A55161**



Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to  
The Board of Directors

Edelweiss Finvest Limited (formerly known as Edelweiss Finvest Private Limited)

1. We have reviewed the accompanying statement of unaudited financial results of Edelweiss Finvest Limited (the "Company") for the half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We draw attention to Note 5 to the Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers, financial assets and investments which depend on uncertain future developments. Our conclusion is not modified in respect of this matter.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

SHRAWAN  
BHAGWATI  
JALAN

Digitally signed by SHRAWAN  
BHAGWATI JALAN  
DN: cn=SHRAWAN BHAGWATI  
JALAN, c=IN, o=Personal,  
email=shrawan.jalan@srbl.in  
Date: 2020.10.29 21:18:47 +05'30'

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 20102102AAAEIO4324

Mumbai

October 29, 2020

**Edelweiss Finvest Limited (Formerly known as Edelweiss Finvest Private Limited)**  
Corporate Identity Number : U65993MH2006PLC164007  
Regd. Off: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West),  
Mumbai-400070,  
Tel: +91-22-4272 2200 Fax: +91-22-40863610  
website: www.edelweissfinvest.edelweissfin.com

**Financial Results for the half year ended September 30, 2020**

	Particulars	Half Year Ended		(₹ in Crores)
		September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	Year Ended March 31, 2020 (Audited)
<b>1</b>	<b>Revenue from operations</b>			
	(a) Interest income	75.65	111.45	208.87
	(b) Dividend income	-	0.04	0.07
	(c) Fee and commission income	1.77	1.58	4.13
	(d) Net gain on fair value changes	35.54	42.94	109.52
	<b>Total revenue from operations</b>	<b>112.96</b>	<b>156.01</b>	<b>322.59</b>
<b>2</b>	<b>Other income</b>	-	0.04	0.39
<b>3</b>	<b>Total Income (1+2)</b>	<b>112.96</b>	<b>156.05</b>	<b>322.98</b>
<b>4</b>	<b>Expenses</b>			
	(a) Finance costs	127.35	120.83	177.28
	(b) Employee benefits expense	1.62	5.58	9.94
	(c) Depreciation and amortisation expense	0.16	0.13	0.28
	(d) Net loss on derecognition of financial instruments	-	-	2.01
	(e) Impairment on financial instruments	28.57	(44.35)	50.03
	(f) Other expenses	15.03	25.89	51.66
	<b>Total expenses</b>	<b>172.73</b>	<b>108.08</b>	<b>291.20</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>(59.77)</b>	<b>47.97</b>	<b>31.78</b>
<b>6</b>	<b>Tax expense</b>			
	Current tax	-	-	21.64
	Deferred tax	(9.71)	15.58	(14.70)
<b>7</b>	<b>Net Profit for the period (5-6)</b>	<b>(50.06)</b>	<b>32.39</b>	<b>24.84</b>
<b>8</b>	<b>Other Comprehensive Income</b>			
	(A) (i) Items that will not be reclassified to profit or loss	0.01	(0.09)	0.02
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.02	(0.01)
	(B) (i) Items that will be reclassified to profit or loss	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
<b>9</b>	<b>Total Comprehensive Income (7+8)</b>	<b>(50.05)</b>	<b>32.32</b>	<b>24.85</b>
<b>10</b>	<b>Earnings Per Share (₹) (Face Value of ₹ 10/- each)</b>			
	- Basic (Not Annualised)	(15.02)	9.72	7.45
	- Diluted (Not Annualised)	(15.02)	9.72	7.45

**Notes:**

- Edelweiss Finvest Limited (the 'Company' / 'EFL') has prepared unaudited financial results (the 'Statement') for the half year ended September 30, 2020 in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India.
- The above unaudited financial results for the half year ended September 30, 2020 of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meetings held on October 29, 2020.
- In compliance with regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015 a limited review of financial results for the half year ended September 30, 2020 has been carried out by the Statutory Auditors.

**Edelweiss Finvest Limited (Formerly known as Edelweiss Finvest Private Limited)**

Corporate Identity Number : U65993MH2006PLC164007

Regd. Off: Tower 3, Wing 'B', Kohnoor City Mall, Kohnoor City, Kiroi Road, Kurla (West),  
Mumbai-400070.

Tel: +91-22-4272-2200 Fax: +91-22-40863610

website: www.edelweissfinvest.edelweissfin.com

4. The Honourable Supreme Court of India ( Hon'ble SC), in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ("Interim order"), has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. However Company does not have any borrower account that could have otherwise been classified as NPA post 31 August 2020 if such order was not in place.
5. Consequent to the outbreak of COVID-19 pandemic, the Indian Government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the Government for certain activities in a phased manner outside specific containment zones. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 are lifted. While there has been some improvement in economic activities during the current quarter, the continued slowdown has led to a decrease in loan originations and efficiency in collection efforts. The extent to which the COVID-19 will continue to impact Company's results, including credit quality and provisions, remain uncertain and would depend upon the time taken for economic activities to fully resume and reach normal levels. The Company holds provisions as at September 30, 2020 against the potential impact of COVID-19 based on the information available at this point in time.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020, April 17, 2020 and May 22, 2020, the Company has granted a moratorium for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit Company's lenders to extend moratorium and various other financial support from other banks and other agencies in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.

In assessing the recoverability of loans, receivables, intangible assets, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continues to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

6. The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the results of the Company.
7. The quantitative disclosures as required by RBI circular dated 17 April 2020 for the half year ended 30 September 2020:
  - (a) The company has extended moratorium/ deferment of term loan installments falling due in moratorium period to its eligible customers who have opted for moratorium under RBI circular on 'COVID-19 – Regulatory Package' dated March 27, 2020 and 'COVID19 Regulatory Package - Asset Classification and Provisioning' dated April 17, 2020. The aggregating amount of customers in SMA/ Overdue categories as at September 30, 2020 is Rs. Nil
  - (b) Asset classification has been extended for an aggregate amount of Rs. Nil and provision made as per para 5 of the above mentioned RBI circular is Rs.Nil
  - (c) Provisions adjusted against slippages in terms of para 6 of the above mentioned RBI circular is Rs.Nil
8. A Scheme of Amalgamation for merger of the Company ("Transferor Company") with Edel Finance Company Limited ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with National Company Law Tribunal ("NCLT") on May 22, 2020.



**9. Balance Sheet as at September 30, 2020**

	<b>September 30, 2020 (Unaudited)</b>	<b>(₹ In Crores) March 31, 2020 (Audited)</b>
<b>ASSETS</b>		
<b>Financial assets</b>		
(a) Cash and cash equivalents	113.30	141.53
(b) Bank balances other than (a) above	-	-
(c) Derivative financial instruments	82.73	156.37
(d) Securities held for trading	207.49	507.06
(e) Receivables		
(i) Trade receivables	-	0.26
(ii) Other receivables	1.26	0.28
(f) Loans	927.86	923.77
(g) Investments	649.06	632.74
(h) Other financial assets	13.82	53.44
<b>Non-financial assets</b>		
(a) Current tax assets (net)	20.38	15.66
(b) Deferred tax assets (net)	35.83	26.12
(c) Property, Plant and Equipment	0.18	0.22
(d) Other Intangible assets	0.29	0.41
(e) Other non- financial assets	19.22	14.65
<b>TOTAL ASSETS</b>	<b>2,071.42</b>	<b>2,472.51</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Financial liabilities</b>		
(a) Derivative financial instruments	25.43	23.65
(b) Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.96	22.64
(c) Debt securities	994.14	1,316.02
(d) Borrowings (other than debt securities)	19.28	35.21
(e) Subordinated Liabilities	15.29	16.11
(f) Other financial liabilities	0.39	0.05
<b>Non-financial liabilities</b>		
(a) Current tax liabilities (net)	16.84	16.32
(b) Provisions	0.77	0.74
(c) Other non-financial liabilities	1.91	4.30
<b>Equity</b>		
(a) Equity share capital	33.33	33.33
(b) Other equity	954.08	1,004.14
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,071.42</b>	<b>2,472.51</b>


10. Figures for the previous period/ year have been regrouped/ reclassified wherever necessary to conform to current period presentation.

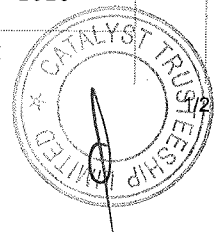
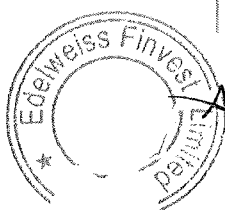
on behalf of the Board of Directors

Amit Dhawan  
Digitally signed  
by Amit Dhawan  
Date: 2020.10.29  
18:15:42 +05'30'

Amit Dhawan  
Managing Director & CEO  
DIN : 02800746

Mumbai October 29, 2020

		<b>Proforma to pay Stamp Duty/ Registration Fee</b>	
Web Token number	IBKLMH201013772354	Web Token Generated Date Time	13/10/2020 02:01:39
District	7101-MUMBAI	Office Name	IGR182-BOM1_MUMBAI CITY 1 SUB REGISTRAR
<b>NEFT Payment Details</b>			
Reference No	CITIN20147183248	Reference No Date	13-10-2020
Account No	IFSC Code		
<b>Object</b>		<b>Amount</b>	
Stamp Duty	0030045501-75	Amount	700
Registration Fees	0030063301-70	Amount	0
<b>Total Amount</b> <i>Web token to be produced to respective branch to initiate payment of Stamp duty and Registration Fees.</i> <i>New!</i>			700
<b>Duty Payer details</b>			
Duty Payer Name	EDELWEISS FINVEST LIMITED		
Duty Payer ID	PAN-AAFCA9652C	Duty Payer Mob No.	+919820215382
<b>Property Details</b>			
Particulars*	DEBENTURE TRUSTEE AGREEMENT		
State		Pincode	0
Article Code	5(h) (B) (vi) --Agreement-if not otherwise provided for	Movability	NA
Consideration Amount	1000000000	Property Area	0.00
<b>Other Party details</b>			
Other Party Name	CATALYST TRUSTEESHIP LIMITED		
Other Party ID	PAN-AACCG4147R		
<b>Branch details</b>			
Branch Name	Khar (West)		
Branch Address	Dharmi Niwas, Plot No77R K Mission MargKhar (West)		
<b>Instrument details</b>			
Type of Receipt	e-SBTR	Type Of Instrument	NEFT
Instrument Number	CITIN20147183248	Instrument Date	13-10-2020
Drawee Bank Name	CITIBANK NA	Drawee Branch	MUMBAI



10/13/2020

IGR Partial Online Receipt

Name

Signature

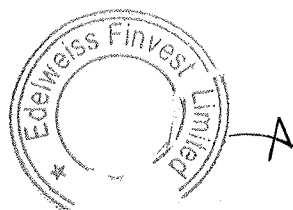
Duty Payer Name

EDELIWEISS FINVEST LIMITED

Duty Payer  
Signature

Print

Please visit the selected branch before else the amount may be returned to the remitting bank.



**DEBENTURE TRUSTEE APPOINTMENT AGREEMENT**

**BETWEEN**

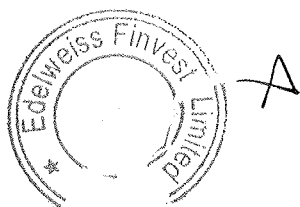
**EDELWEISS FINVEST LIMITED**  
**(formerly known as Edelweiss Finvest Private Limited)**

**AS THE COMPANY (ISSUER/COMPANY)**

**AND**

**CATALYST TRUSTEESHIP LIMITED**

**AS THE DEBENTURE TRUSTEE**



## DEBENTURE TRUSTEE APPOINTMENT AGREEMENT

This Debenture Trustee Appointment Agreement ("**Agreement**") is made at Mumbai on this November 10<sup>th</sup>, 2020.

### BETWEEN

**EDELWEISS FINVEST LIMITED** (formerly known as Edelweiss Finvest Private Limited), a company incorporated under the Companies Act, 1956 with Corporate Identity Number U65993MH2006PLC164007 and having its registered office at Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai 400070. (hereinafter referred to as the "**Company**" / "**Issuer**", which expression shall, unless repugnant to the context or meaning thereof, include its successors) of the **ONE PART**;

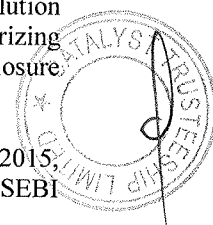
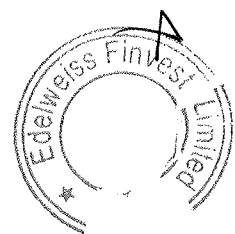
### AND

**CATALYST TRUSTEESHIP LIMITED (Formerly GDA TRUSTEESHIP LIMITED)**, a company incorporated under the Companies Act, 1956 and having CIN U74999PN1997PLC110262 and its registered office at GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune-411038, and its branch office at Windsor, 6<sup>th</sup> Floor, Office No.604, C.S.T.Road, Kalina, Santacruz (East), Mumbai – 400098, and 810, 8th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi –110001 (hereinafter called the "**CTL**" / "**Debenture Trustee**", which expression shall, unless excluded by or repugnant to the context or meaning thereof, include the Debenture Trustee and its successors and assigns) of the **OTHER PART**.

The Company and the Debenture Trustee are hereinafter individually referred to as "**the Party**" and are collectively referred to as "**the Parties**".

### WHEREAS:

- (1) The Company proposes to issue principal protected, rated, secured, redeemable, listed market linked debentures ("**MLDs**") in accordance with SEBI Debt Securities Regulations (*as defined hereinbelow*) and other Applicable Law on the terms and conditions as set out in the Disclosure Document(s) ("**Debentures**").
- (2) Pursuant to the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the SEBI Debt Securities Regulations, the Company is required to appoint a Debenture Trustee for the benefit of and to act on behalf of the holders of the Debentures ("**Debenture Holders**") and accordingly the Company has approached CTL to act as the Debenture Trustee for the Debenture Holders. CTL has agreed to act as the Debenture Trustee to act on behalf of and for the benefit of the Debenture Holders vide consent letter dated October 12, 2020 bearing reference no. CL/MUM/20-21/DEB/438.
- (3) The issuance of Debentures shall to meet requirements of funds to carry on its business operations, investments and for general corporate purposes, in accordance with the provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("**SEBI Debt Securities Regulations**"), the applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, SEBI circular on 'Guidelines for Issue and Listing of Structured Products / Market Linked Debentures' dated September 28, 2011, bearing reference no. Cir. /IMD/DF/17/2011 (as applicable to MLDs) ("**SEBI MLD Circular**") and other provisions of Applicable Law as amended from time to time.
- (4) The Company has passed a board resolution on February 12, 2020, shareholders resolution March 9, 2020 and debenture committee resolution on October 12, 2020, authorizing borrowing of funds by way of issuance of Debentures, in accordance with the Disclosure Document and the broad terms to be mentioned in the Debenture Trust Deed.
- (5) Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, ("**SEBI LODR**"), SEBI MLD Circular, and SEBI

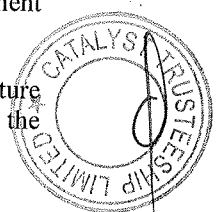


Debt Securities Regulations, the Company will submit the details required as per Schedule I of SEBI the SEBI Debt Securities Regulations to the BSE Limited ("**BSE**") for the purpose of listing the Debentures on its Wholesale Debt Market ("**WDM**") segment.

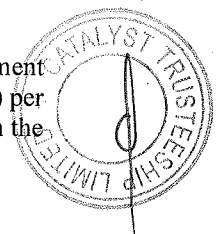
- (6) The Debenture Trustee is registered with SEBI as a debenture trustee under the SEBI (Debenture Trustee) Regulations, 1993, as amended from time to time.
- (7) Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, and the SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, and in the event that the Debentures are required to be listed in accordance with the Disclosure Documents(s), Pursuant to the Applicable Laws, the Company will be required to execute the uniform listing agreement and comply with the said Regulations *inter-alia* by furnishing the requisite information to the BSE, the Debenture Trustee and the Debenture Holders.
- (8) At the request of the Company, CTL has agreed to act as the Debenture Trustee under this Agreement on the terms and conditions agreed upon and hereinafter set out in the Debenture Trust Deed to be executed on or about the date of this Agreement.
- (9) Words and expressions used herein and defined in the debenture trust deed to be entered into between the Company and the Debenture Trustee (the "**Debenture Trust Deed**") shall have the meaning respectively assigned to such words and expressions in the Debenture Trust Deed and shall be deemed incorporated herein by reference (as of the date hereof, irrespective of the date of execution of the Debenture Trust Deed).

**NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:**

1. Notwithstanding anything to the contrary contained in this Agreement, or any other Transaction Documents, the Parties hereby agree, confirm and acknowledge that the terms of the Debenture Trust Deed shall prevail in case of any conflict in the terms of this Agreement and the Debenture Trust Deed. Further, it is agreed that the Debenture Trustee shall act in accordance with the terms of the Debenture Trust Deed in discharging its obligations under the Transaction Documents.
2. The Company hereby appoints CTL as the Debenture Trustee for the benefit of and to act on behalf of the Debenture Holders of the Debentures to be issued by the Company; and CTL hereby accepts such appointment and pursuant thereto the Issuer hereby settles in trust with CTL a sum of Rs. 1,000 (Rupees One Thousand Only) for the benefit of the Debenture Holders subject to the terms and conditions in this Agreement and the Debenture Trust Deed. CTL agrees to act as Debenture Trustee on behalf of and for the benefit of the Debenture Holders and for the purposes related thereto, strictly in accordance with the provisions of the Transaction Documents and more particularly given in the Debenture Trust Deed. The Debenture Trustee shall act only in accordance with Debenture Trust Deed.
3. In such trust capacity, the Debenture Trustee agrees and is authorised:
  - (a) To execute and deliver this Agreement, Debenture Trust Deed, all Security Documents and all other documents, agreements and instruments contemplated by the Debenture Documents or the other documents which are to be executed and delivered by the Debenture Trustee or as the Debenture Trustee shall deem advisable and in the best interests of the Debenture Holders;
  - (b) To take whatever action as shall be required to be taken by the Debenture Trustee pursuant to the terms of the Debenture Documents, and subject to the terms and provisions of this Agreement or any other Debenture Documents, to exercise its rights and perform its duties and obligations under each such documents, agreement and instruments; and
  - (c) Subject to the terms and provisions of this Agreement and the other Debenture Documents, to take such other action in connection with the forgoing as the Debenture Holders may from time to time direct.



4. In the event the Debentures are required to be listed in accordance with the Disclosure Document(s), the Company will submit the required details along with the necessary documents mentioned in the checklist of the listing application to the BSE, for the purpose of listing the Debentures on the WDM of BSE, and after the allotment of the Debentures, and will apply to obtain the final listing approval from the BSE.
5. The Company hereby declares and confirms that the Company or the person in control of the Company, or its promoters have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities.
6. The Company hereby declares and confirms that the proposal to create a charge or security in respect of secured debt securities has been/ shall be disclosed in the Disclosure Document.
7. The Company hereby declares and confirms that it will give an undertaking in the Disclosure Document that the assets on which charge will be created will be free from encumbrances and if assets are already charged to secure the debt, the permissions or consent to create a charge on the assets of the Company have been obtained from the existing creditors (if so required under the existing documents).
8. The Issuer Company confirms that the requisite disclosures will be made in the Disclosure Document(s).
9. The Debenture Trustee, "ipso facto" do not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/ invested by the Debenture Holders for the Debentures.
10. The Company hereby agrees to ensure the compliance of the Companies Act, 2013 and the applicable guidelines issued by RBI in respect of allotment of debentures i.e. Debentures under listed private placement.
11. The Company shall execute the Debenture Trust Deed in favour of the Debenture Trustee within the period of three months from the date of closure of the issue, setting out thereby the detailed terms and conditions of the Debentures including the rights, duties and obligations of the Company and the Debenture Trustee in terms of Rule 18(5) of the Companies (Share Capital and Debentures) Rules, 2014. The relevant parties shall finalize the draft of the Debenture Trust Deed thereto. The Debenture Trust Deed shall consist of two parts: Part A containing statutory/standard information pertaining to the debt issue; Part B containing details specific to the particular debt issue.
12. The Company shall ensure that the security is created by the Company within period of three months from the date of closure of the issue, over such of its movable properties and on such terms and conditions as agreed by the Debenture Holders and shall be disclosed in the Disclosure Document and the Transaction Documents and execute the Debenture Trust Deed and other necessary Security Documents as approved by the Debenture Trustee, within the time frame prescribed for the Debentures in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the BSE, where the Debentures have been listed.
13. The Company shall pay to the Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration hereinafter mentioned for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Transaction Documents. The remuneration of the Trustees shall be as per the consent letter dated October 12, 2020 bearing reference no. CL/MUM/20 21/DEB/438 (As Annexure I).
14. Arrears of installments of annual service charges, if any, and/or delay in reimbursement of costs, charges and expenses shall carry interest at the rate of 12% (twelve percent) per annum from the date of bill till the date of actual payment which shall be payable on the footing of compound interest with quarterly rests.



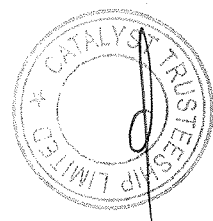
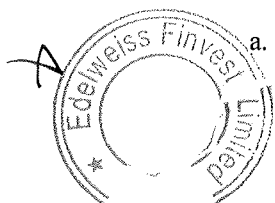
15. The Company shall inter-alia furnish to the Debenture Trustee the following documents:
- i) Memorandum and Articles of Association of the Company;
  - ii) Disclosure Document;
  - iii) Agreement with the Registrar to Issue;
  - iv) Letters from Credit Rating Agencies about Ratings;
  - v) Details of the Depository with whom the Debentures are being held in dematerialized form;
  - vi) This Debenture Trustee Appointment Agreement;
  - vii) Copy of last three years' Audited Annual Reports;
  - viii) Necessary resolution for allotment of Debentures;
  - ix) Credit confirmation letters;
  - x) Copy of the Latest Audited/ Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any;
  - xi) the Issuer shall within 180 (one hundred eighty) days from the end of the financial year, submit a copy of the latest annual report to the Trustee;
  - xii) Debenture Trust Deed;
  - xiii) Deed of Hypothecation;
  - xiv) Pledge Agreement;
  - xv) Charge Certificate from ROC;
  - xvi) Confirmation/Proofs of payment of interest and principal made to the Debenture Holders;
  - xvii) A Certificate from Statutory Auditor regarding utilization of funds/issue proceeds annually as prescribed in regulations;
  - xviii) Periodical Reports on quarterly basis or as may be required by the Debenture Trustee or the Debenture Holders as per the terms of the Debenture Trust Deed (as applicable);
  - xix) A copy of all notices, resolutions and circulars issued to Debenture Holders of debt securities issued under the Debenture Trust Deed;
  - xx) Information to be submitted to BSE (in the event the Debentures are required to be listed in accordance with the Disclosure Documents(s)), as and when required;
  - xxi) Beneficiary Position reports; and
  - xxii) Such other documents, certificates as may be reasonably required by the Debenture Trustee.

Provided, the Company shall not be under an obligation to furnish the above documents, if any or all of the above documents are waived off by the Debenture Trustee.

16. The Company and Trustee agrees and undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, the SEBI Debt Securities Regulations, SEBI MLD Circular (as applicable), SEBI LODR, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with BSE (in the event the Debenture are required to be listed in accordance with the Disclosure Documents(s)), the Companies Act, 1956, the Companies Act, 2013 and guidelines of other regulatory authorities as may be applicable from time to time in respect of allotment of debentures till redemption and the Company agrees to furnish to the Debenture Trustee such information in terms of the same on regular basis and as may be requested by the Debenture Trustee.
17. This Agreement is entered into in compliance with the provisions of Regulation 13 of SEBI (Debenture Trustees) Regulations, 1993 and the SEBI Debt Securities Regulations, SEBI MLD Circular, SEBI LODR, the Companies Act, 1956, the Companies Act, 2013 and other applicable provisions and shall be effective on and from the date first hereinabove written and shall be in force till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.

18. Miscellaneous

a. Duration of Agreement





This Agreement shall be effective on and from the date first hereinabove written and shall be in force till the Final Settlement Date or until the appointment of the Debenture Trustee is terminated in accordance with the terms of the Debenture Trust Deed.

b. Notices

i. Communications in writing

Any notice, demand, request or other communication to be made or given under this Agreement shall be in writing unless otherwise stated. Such notice, demand request or other communication shall be deemed to have been duly given or made when it shall be sent by any of the following means: (a) delivered personally; or (b) sent by facsimile transmission; or (c) sent by registered mail with acknowledgment due, postage prepaid / courier; or (d) sent by e-mail.

ii. The details of the Parties for the purposes of serving any notices in relation to or pursuant to this Agreement shall be as follows:

1. Company

**Kind Attn:** Ms. Akshaya Mishra - Head Business Compliance, Global Markets  
**Address:** Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098  
**Email:** Treasury.compliance@edelweissfin.com

2. Debenture Trustee

**Kind Attn:** Mr. Umesh Salvi  
**Address:** Windsor, 6<sup>th</sup> Floor, Office No. 604 C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098  
**Email:** umesh.salvi@ctltrustee.com

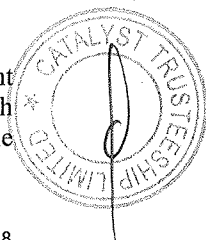
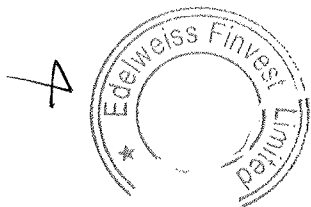
iii. Delivery

Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

- (i) if by way of personal delivery, when delivered;
- (ii) if by way of facsimile, when the sender receives a receipt indicating proper transmission;
- (iii) if by way of letter, 3 (three) Business Days after it has been deposited in the post (by registered post, with acknowledgment due), postage prepaid in an envelope duly addressed to the addressee;
- (iv) if by way of letter, 3 (three) Business Days after it has been couriered duly addressed to the addressee if the courier company furnishes a statement / record of its delivery or attempted delivery at such address; or
- (v) if by way of e-mail, when received in legible form

iv. English language

- (i) Any notice given under or in connection with this Agreement must be in English.
- (ii) All other documents provided under or in connection with this Agreement must be in English or if not in English accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.



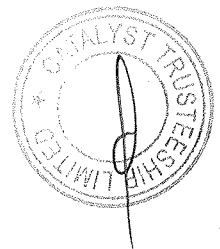
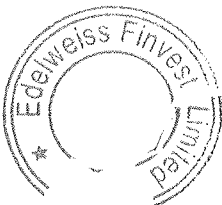
- v. Any Party to this Agreement may change the address details for notices to be served on such Party, as provided under this Agreement, by giving prior written express notice (with changed details mentioned properly), addressed to all other Parties.

c. Governing Law and Disputes


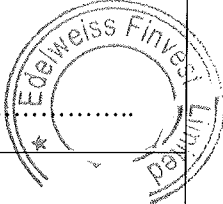
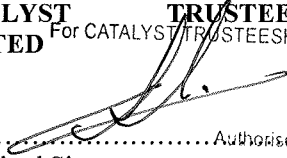
- i. The validity, interpretation, implementation and resolution of disputes arising out of or in connection with this Agreement shall be governed by the laws of India.
- ii. Subject to Clause 18(c) (iv) below, the Parties agree that the courts and tribunals of Mumbai, shall have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with this Agreement may be brought in such courts or the tribunals of Mumbai and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals.
- iii. The Company irrevocably waives any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals at such place as mentioned in Clause 18.c.ii) above, and any claim that any such Proceedings have been brought in an inconvenient forum.
- iv. Nothing contained in this Clause 18.c (Governing Law and Jurisdiction), shall limit any right of the Debenture Trustee to take Proceedings in any other court or tribunal of competent jurisdiction at any other place, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it / they may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum, including on account of any separate proceeding being pending against the Company in this or any other forum.
- v. To the extent that the Company may in any jurisdiction claim for themselves or their assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to themselves or their assets such immunity (whether or not claimed), the Company hereby irrevocably agrees not to claim and hereby irrevocably waive such immunity.

d. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction be ineffective only to the extent of prohibition or unenforceability but that shall not invalidate the remaining provisions of this Agreement nor affect such provision in any other jurisdiction.



IN WITNESS WHEREOF the Company and the Debenture Trustee have caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

<p><b>SIGNED AND DELIVERED</b> by <b>EDELWEISS FINVEST LIMITED</b> (formerly known as Edelweiss Finvest Private Limited) the within named Company by the hand of Mr. Avinash Agarwal, its Authorised Signatory.</p>	<p>For and on behalf of <b>EDELWEISS FINVEST LIMITED</b> (formerly known as Edelweiss Finvest Private Limited)</p> <p> ..... Authorised Signatory</p> <p></p>
<p><b>SIGNED AND DELIVERED</b> by <b>CATALYST TRUSTEESHIP LIMITED</b>, the within named Debenture Trustee by the hand of <u>UMESH SALVI</u>, its Authorised Signatory.</p>	<p>For and on behalf of <b>CATALYST TRUSTEESHIP LIMITED</b> For CATALYST TRUSTEESHIP LIMITED</p> <p> ..... Authorised Signatory</p>

CL/MUM/20 21/DEB/438

October 12, 2020

**Edelweiss Finvest Limited**

Edelweiss House, Off C.S.T Road Kalina Mumbai 400098

**Kind Attn: Mr. Vishal Parmar**

Dear Sir,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Debentures up to INR 100 Crore to be issued by your Company**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable, Non-Debentures up to INR 100 Crore to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

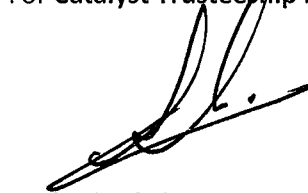
Acceptance fees: Rs.75,000/- plus applicable taxes (One Time; Non Refundable & payable on appointment as trustee).

Service Charges: Rs.75,000/- p.a. plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till 31st March 2021.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

**Yours faithfully,**

For Catalyst Trusteeship Limited



Authorized Signatory

**We accept the above terms**  
For Edelweiss Finvest Limited



Authorized Signatory

**NOTE: As per GST guidelines, CTL would be required to pay the applicable Service Tax on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.**



**Edelweiss Finvest Private Limited**  
**(Formerly known as Arum Investments Private Limited)**

**Corporate Identity Number: U65993MH2006PTC164007**

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**Financial Statements for the year ended March 31, 2018**

## **Edelweiss Finvest Private Limited**

### **Financial Statement for the year ended March 31, 2018**

#### **Board of Directors**

Mr. Hari Ram Misra

Ms. Puja D'souza

Mr. Kulbirsingh Rana

Mr. Bharat Bakshi - Independent Director

Mr. Sanjay Shah - Independent Director

#### **Chief Financial Officer**

Ms. Sheetal Gandhi

#### **Company Secretary**

Mr. Bhavesh Singh (Resigned w.e.f February 15, 2018)

Mr. Niket Joshi (appointed w.e.f May 2, 2018)

#### **Statutory Auditors**

Price Waterhouse, Chartered Accountants LLP (till May 22, 2018)

M/s. S. R. Batliboi & Co. LLP (w.e.f. May 23, 2018)

#### **Registered Office**

Tower 3, Wing B, Kohinoor  
City Mall, Kohinoor City  
Kiorl Road, Kurla West  
Mumbai Mumbai City MH  
400070.

(w.e.f May 4, 2018)

Corporate Identity No.:

U65993MH2006PTC164007

Tel: +91 22 4009 4400

Fax: +91 22 4086 3759

Email: cs@edelweissfin.com

#### **Debenture Trustee**

SBICAP Trustee Company Ltd.

Apeejay House, 6th Floor,

3, Dinshaw Wachha Road, Churchgate,  
Mumbai - 400 020.

Tel: +91 22 4302 5530

Fax: +91 22 4302 5500

E-mail: corporate@sbicaptrustee.com

Website: www.sbicaptrustee.com

## **BOARD'S REPORT**

To the Members of **Edelweiss Finvest Private Limited,**  
**(Formerly known as Arum Investments Private Limited)**

The Directors hereby present their 12<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2018:

### **Financial Summary/Highlights**

(Rs. in million)

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Total Income	3327.36	1099.53
Total Expenditure	1632.52	419.23
Profit before tax	1694.84	680.31
Provision for tax (including Deferred Tax)	362.64	217.21
Profit after tax	1332.20	463.10
Surplus brought forward from previous year	2061.41	1690.93
Profit available for appropriations	3679.62	2154.03
Appropriations - Transfer to special reserve under section 45-IC of the Reserve Bank of India Act, 1934	266.44	92.62
Surplus carried to Balance Sheet	3413.17	2061.41

### **Dividend**

Your Directors do not recommend any dividend for the year ended March 31, 2018.

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

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the provisions of the RBI Master Direction No. DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 as amended i.e. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking Company (Reserve Bank) Directions, 2016.

### **Scheme of Arrangement**

The National Company Law Tribunal, Mumbai Bench vide its order dated July 5, 2017 had approved a Scheme of Arrangement filed by the Company (being the First Resulting Company) jointly with Edelweiss Finance & Investments Limited (the Demerged Company) and Edel Land Limited (the Second Resulting Company) under Sections 230 to 232 of the Companies Act, 2013 and the Rules issued there under for acquisition of the lending and borrowing business of the Demerged Company by the Company. The said Order came into effect from August 1, 2017 (the Effective Date).

### **Share Capital:**

During the year ended March 31, 2018, the authorised Share Capital of the Company has been suitably reclassified and consequent to such reclassification as on March 31, 2018 the authorized Share Capital of the Company is Rs. 35,00,00,000 divided into 3,50,00,000/- Equity Shares of Rs. 10/- each.

During the year ended March 31, 2018, Equity Shares as per following details were allotted.

Sr. No.	Date of Allotment	No. of Equity Shares Allotted	Face Vaule	Premium (if any)	Issue Price	Reason of Allotment (Remarks)
1	August 1, 2017	82,79,275	10	168.35	178.35	Pursuant to the Scheme of Arrangement
2	December 31, 2017	1,16,79,063	10	Nil	10	Pursuant to Conversion of Compulsorily Convertible Non-Cumulative Preference Shares - Series A, B and C
3	March 31, 2018	1,05,61,539	10	Nil	10	

Consequently, as at March 31, 2018, the paid-up Share Capital of the Company stood at Rs. 33,32,58,750/- divided into 3,33,25,875 Equity Shares of Rs.10/- each.

### **Subsidiary and Associate Company:**

Your Company does not have any Subsidiary or Associate Company.

The Company continues to be a Subsidiary of ECap Equities Limited.

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

Particulars of loans given and investments made, if any, are disclosed in the Financial Statements. During the year ended March 31, 2018, the Company has not given any guarantee.

### **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. All the Related Party Transactions as required under AS -18 are reported in the Notes to the financial statement.



The Company has formulated Related Party Transactions Policy. The Policy is uploaded on [www.edelweissfin.com](http://www.edelweissfin.com).

### **Directors and Key Managerial Personnel**

#### **i) Independent Directors**

During the year ended March 31, 2018:-

- i) Mr. Bharat Bakshi was appointed as an Additional Director (Non-Executive Independent) of the Company w. e. f. March 15, 2018. The members of the Company has approved appointment of Mr. Bharat Bakshi as an Independent Director of the Company for a period upto March 31, 2021;
- ii) Mr. Ravindra Ankam, resigned as an Independent Director of the Company w.e.f. March 15, 2018; and
- iii) Mr. Sanjay Shah has been re-appointed as an Independent Director for a second term/ a period upto March 31, 2021 which has been approved by the members of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section.

The Board places on record its sincere appreciation of the services rendered by Mr. Ravindra Ankam during his tenure as an Independent Director of the Company.

#### **ii) Non- Executive and Non- Independent Directors**

Mr. Ashish Kehair has been appointed as an Additional Director (Non- Executive Director) of the Company w.e.f. May 23, 2018 and he hold office till the conclusion of the forthcoming Annual General Meeting.

Mr. Hari Ram Misra resigned as a Non- Executive Director of the Company w.e.f. May 23, 2018.

The Board places on record its sincere appreciation of the services rendered by Mr. Hari Ram Misra during his tenure as a Director of the Company.

The Company has received a notice from a member signifying its intention to propose Mr. Ashish Kehair as a candidate for the office of Director at the forthcoming Annual General Meeting.

### **iii) Retirement by Rotation of a Director**

Mr. Kulbir Singh Rana, Director of the Company retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

### **iv) Key Managerial Personnel**

During the year ended March 31, 2018, Mr. Bhavesh Singh has resigned as the Company Secretary w. e. f. February 15, 2018.

Mr. Niket Joshi has been appointed as the Company Secretary w.e.f. May 2, 2018.

### **Number of Board Meetings held**

During the year ended March 31, 2018 the Board met 10 times.

### **Remuneration Policy**

The Company has framed a Remuneration Policy as per the Companies Act, 2013. The Policy is annexed as Annexure – I to this Report.

### **Evaluation of the Performance of the Board**

The Board has framed an Evaluation Policy (the Policy) for evaluating the performance of the Board, Independent Directors, Non-executive Directors and it's Committees. Based on the same, the performance was evaluated for the financial year ended March 31, 2018. A meeting of the Independent Directors was held during the year under review.

The Policy *inter alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

### **Internal Financial Controls**

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

### **Finance**

Your Company has borrowed funds in the form of Non-Convertible Debentures offered / issued on a private placement basis.

The Company enjoys high credit rating from various Rating Agencies. The credit ratings reflect the Company's financial discipline and prudence.

### **Audit Committee**

The Audit Committee of the Board of Directors of the Company presently comprises of the following Directors:-

Mr. Sanjay Shah	- Independent Director
Mr. Bharat Bakshi	- Independent Director
Ms. Puja D' Souza	- Director

The majority of the members of the Committee are Independent Directors and have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of Section 177 of the Companies Act, 2013.

During the year ended March 31, 2018 the Committee met 4 times.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board of Directors of the Company presently comprises of the following Directors:-

Mr. Sanjay Shah	- Independent Director
Mr. Bharat Bakshi	- Independent Director
Ms. Puja D'Souza	- Director

The constitution and terms of reference of the Committee are in compliance with the requirements of Section 178 of the Companies Act, 2013.

During the year ended March 31, 2018 the Committee met 2 times.

### **Corporate Social Responsibility Committee**

In accordance with the provisions of Section 135 of the Companies Act, 2013, (the Act), the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as its members:

Ms. Puja D'Souza	- Director
Mr. Hari Ram Misra *	- Director
Mr. Bharat Bakshi	- Independent Director
Mr. Ashish Kehair \$	-Director

\* upto May 23, 2018

\$ wef May 23, 2018

The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act. During the year ended March 31, 2018 the Committee met 1 time.

Further details in this regard are provided in the Annexure - II to this Report.

### **Auditors**

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), M/s. Price Waterhouse, Chartered Accountants LLP (PwC), was appointed as the Auditors of the Company at the 11<sup>th</sup> Annual General Meeting (AGM) held on July 20, 2017, to hold office till the conclusion of this 16<sup>th</sup> AGM. PwC has since tendered its resignation as the Auditors of the Company vide letter dated May 22, 2018, resulting in casual vacancy in the office of the Auditors.

The Board has recommended to the Members the appointment of M/s. S. R. Batliboi & Co. LLP, (SRB) as the auditors of the Company.

- (a) to fill the casual vacancy caused by the resignation of PwC and to hold the office upto the conclusion of this AGM ; and
- (b) for a period of 5 years from the conclusion of this AGM till the conclusion of 17<sup>th</sup> AGM of the Company to be held in the year 2023.

SRB has confirmed its eligibility to act as the auditors of the Company.

### **Secretarial Audit**

The Board had appointed Sahani & Kothari Associates, Company Secretaries, as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the Financial Year ended March 31, 2018. The Report of the Secretarial Auditor is provided in Annexure - III to this Report.

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

The Company has a Policy on Prevention of Sexual Harassment at workplace. No case was reported during the year under review.

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

### **A. Conservation of Energy**

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

### **B. Technology Absorption**

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

### **C. Foreign Exchange Earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review.  
(Previous year: Nil).

### **Other Disclosures:**

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2018. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. No material changes have occurred between the end of financial year i.e. March 31, 2018 and the date of the report affecting the financial position of your Company. The Company is in compliance with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

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

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

### **Whistle Blower Policy / Vigil Mechanism**

The Company has adopted Whistle Blower Policy of Edelweiss Financial Services Limited, the ultimate Holding Company, for employees to report genuine concerns/grievances. The Policy is uploaded on [www.edelweissfin.com](http://www.edelweissfin.com). The Policy provides for the adequate safeguards against the victimization of the employees who use vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

### **Particulars of Employees**

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided on request. In terms of Section 136 of the Act, the Reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars mentioned in Section 197 (12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is available for inspection by the members at the Registered Office of the Company during business hour on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

### **Risk Management**

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

### **Directors' Responsibility Statement**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have selected such accounting policies 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, 2018 and of the profit of the Company for the financial year ended on that date;
- iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) internal financial controls have been laid down and the same are adequate and were operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Acknowledgments**

The Board of Directors wish to acknowledge the continued support extended and guidance given by Reserve Bank of India, Securities and Exchange Board of India, the Stock Exchanges, Ministry of Corporate Affairs, Banks, Depositories, other 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 Finvest Private Limited  
(Formerly known as Arum Investments Private Limited)**

**-Sd/  
Puja D' Souza  
Director  
DIN No.: 05136515**

**-Sd/  
Ashish Kehair  
Director  
DIN No.: 07789972**

Date: May 23, 2018  
Place: Mumbai



## **EDELWEISS FINVEST PRIVATE LIMITED (EFPL) FY2017-18**

### **Management Discussion & Analysis Report**

FY18 was one of the better years for global economy and markets. Accelerating growth, easy liquidity, and contained inflation resulted in strong rally in risk assets with low volatility. This was in sharp contrast to FY17, which sprang many surprises such as Brexit, Trump being elected as US president etc.

Global economy continued to build on the cyclical turnaround which started in FY17. Economic growth became more broad-based resulting in an improvement in global trade, industrial activity, global PMIs, business confidence. While, the global growth remained strong, the rising trade protectionism is coming to fore again. While FY17 saw more of political rhetoric on trade protectionism, some policy action was visible during FY18 and any aggressive steps towards this can undermine global growth.

For India as well, the improvements in Global economy resulted in an improved export performance. FY18 was also a more eventful year for India with reforms continuing to take place. The much awaited GST was finally implemented in the year and though the implementation did lead to initial hiccups, things are getting better now.

Another area where significant progress has been made is tackling the issue of Non-Performing Assets (NPAs) and PSU bank re-capitalisation. Insolvency Resolution Board was setup, large NPA accounts were identified & prioritized and action started to resolve the NPA problem. Re-capitalisation funds of INR 2.1tn were allocated to meet up the requirement of capital deficient PSU banks.

Impact of continued reforms is visible in an improvement in India's rank of ease of doing business and sovereign rating upgrade (first in last 14 years). This should over time yield benefits in terms of higher FDI and lower cost of capital.

As far as business cycle conditions are concerned, things are on the improving path. Domestic economy

is recovering from the initial hiccups of GST, credit growth has started to improve, inflation remains benign, and broadly speaking fiscal also remains comfortable. The rise in crude oil prices does pose some downside risk to India's macro environment. In terms of flows in FY18, FDI flows continued to remain stable at ~USD36bn and portfolio flows have remained strong at ~USD22bn, significantly higher than ~USD8bn in FY17.

On the monetary side, RBI maintained its neutral stance throughout the year. Hence, it cut rates only by 25bps, despite FY18 CPI being ~3.5% (50bps lower than its medium term target). INR remained strong during most of the year, with average FY18 INR/USD rate at 64.50 compared to FY17 average of 67.00.

### **Overall Outlook**

Overall the macro-fundamentals of the economy remain in comfortable zone albeit with increasing risk from rising crude oil prices. Economic conditions have improved amid rebound in exports and government's push towards infrastructure spending.

Going ahead we believe growth trajectory to remain strong and improve further based on rebound in exports and stabilisation of GST regime. Rural economy should also get a fillip with IMD forecasting FY19 to be the third consecutive year of normal monsoon. Most importantly, we expect Banking sector NPA problems, which have been haunting the economy for last 7 years, to finally end owing to a quicker resolution of stressed assets and PSU bank recapitalisation.

## **INDUSTRY STRUCTURE AND DEVELOPMENTS**

### **Commercial Credit Markets**

After a subdued growth in Indian banking sector in FY17 (non-food credit at sub 5% levels), credit growth started to improve in FY18 with non-food credit at 11% levels. This should further improve in FY19 owing to PSU bank recapitalisation, resolving NPA issues, and government's infrastructure push.

Given the magnitude of the asset quality issue in banks, the government has pro-actively worked with RBI on the resolution of stressed assets. RBI also



monitored strictly the asset classification of NPAs by all the banks. Now that banks have started providing adequately for distressed assets and IBC has come in play, resolution and turnaround should happen over the next couple of years. As the economy continues to recover, re-capitalisation of banks will help provide capital for bank credit growth in future.

### NBFC Industry

While commercial banks continued to remain dominant source of credit in India, the NBFC sector has been steadily gaining systemic importance with increase in assets from less than 11% of banking assets in FY09 to over 14% now. Though the banking sector was beset with worsening asset quality in FY17, NBFCs could restrict the impact in their portfolios due to their ability to respond quickly as well as availability of a higher collateral cover.

The early part of fiscal year saw an interim blip in their performance following demonetisation, but recovery following that has also been very swift and the situation is back to normal. Indeed, NBFCs have emerged even stronger post this. The growing relevance of the NBFCs also highlights the emphasis of risk management in the sector. Going ahead, comfortable capital adequacy, control on asset quality and conservative liquidity management will continue to provide comfort to the credit profile of NBFCs.

## EDELWEISS FINVEST PRIVATE LIMITED (EFPL) OVERVIEW

Arum Investments Private Limited had obtained a certificate of registration dated February 23, 2007 bearing registration no. N-13.01856 issued by The Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration. The name of the Company was changed to Edelweiss Finvest Private Limited with effect from June 15, 2017. It is a systemically important NBFC (NBFC – ND – SI). EFPL is engaged in the business of credit and investments.

We are part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around three **broad business groups** – **Credit businesses** including Retail Credit, Corporate Credit and Distressed Credit, **Franchise & Advisory businesses** including Wealth Management, Asset Management and Capital Markets, and **Insurance** including Life Insurance and General Insurance.

Today, EFPL is a Rs.31,165 million asset base company with presence in significant areas of finance businesses.

## FINANCIAL PERFORMANCE HIGHLIGHTS

### FINANCIAL HIGHLIGHTS FOR FY18

A summary of our FY18 financial highlights is as under:

- **Total Revenue Rs.3,327 million** (Rs.1,100 million for FY17), up 203%
- **Profit after Tax Rs.1,332 million** (Rs.463 million for FY17), up 188%
- **Networth Rs.8,153 million** (Rs.5,397 million at the end of FY17)
- **EPS Rs.118.33** (Rs.165.04 for FY17) (FV Rs.10 per share)

## INCOME

### Fund Based Revenue

Our fund-based businesses earned revenue of Rs.3,240 million for FY18 (Rs.1,100 million for FY17). Interest income was Rs.3,188 million (Rs.1,105 million for FY17), up 188%.

### Agency Fee & Commission

Our agency fee & commission revenue was Rs.87 million for the year, compared to NIL in FY17.

## EXPENSES

Our total costs for FY18 was Rs.1,633 million (Rs.419 million in FY17), up 289%. Within this, our employee expense for FY18 was Rs.34 million (Rs.5 million in FY17). The interest expense for FY18 was Rs.563

million (Rs.364 million in FY17) on account of higher borrowings.

## PROFIT AFTER TAX

Our Profit after Tax for FY18 was Rs.1,332 million compared to Rs.463 million for FY17, up 188%.

Our Profit before Tax margin for FY18 was 51% and Profit after Tax margin was 40%, compared to 62% and 42% respectively for FY17

## BUSINESS PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY18 are as under:

### CREDIT BUSINESS

Credit business of EFPL broadly offers secured wholesale loans to the borrowers against collateral of pledge of securities, real estate, and loans against securities etc. Total credit book of EFPL stands at Rs.27,373 million at the end of this year compared to Rs.7,705 million at the end of previous year, a growth of 255%.

The composition of Credit Book as on March 31, 2018 is as under:

(Rs. In million)

Product/Segment	Book size as on March 31, 2018	Book size as on March 31, 2017
Structured Collateralised Credit	3,815	2,810
Real Estate Loans	21,565	4,517
Loan against Securities	1,808	375
Rural Loans and Others	184	3
<b>Total Loan Book</b>	<b>27,372</b>	<b>7,705</b>

EFPL scaled up its loan book portfolio significantly during FY18 by leveraging Edelweiss relationships across corporates and individual clients. As a result,

it achieved all round growth across all its loan products.

Further, as a result of strict adherence to conservative credit appraisal, constant collateral monitoring and best-in-class risk management, EFPL has managed to control its asset quality satisfactorily, though there has been some asset quality slippage during the year due to corporate cash flows coming under strain on the back of sluggish growth in the economy. EFPL's Gross NPLs were at 1.77% and Net NPLs at 0% as on 31, March 2018. Our Provision Coverage Ratio is 100% as at the end of this year as we made a prudent full provision for our NPLs. We continue to focus on risk management and achieving growth in the book without diluting risk standards.

### BALANCE SHEET MANAGEMENT

For any NBFC like ours, its capital forms the most important resource, besides the human capital. From its earliest days, EFPL has recognised this and has always focused its energies in creating a strong balance sheet. A strong capital base provides us the freedom and ability to deploy capital for scaling up our business.

We continue to diversify our sources of borrowings as well as add liabilities commensurate with our assets profile. During FY18 we mobilised Structured Products of Rs.7.6 billion and also raised Rs. 3.50 billion through our maiden big ticket private placement of NCDs during FY18. These instruments provide us with medium to long term liabilities to match our asset profile. We also received our first bank line of credit of Rs.500 million during FY18.

#### Balance Sheet Gearing

EFPL has a total net worth of Rs.8,153 million as at the end of FY18 compared to Rs.5,397 million at the end of FY17. Amount of debt on the Balance Sheet as on March 31, 2018 was higher at Rs.23,011 million (Rs.6,577 million as on March 31, 2017), a Gearing Ratio of 2.82 times. The borrowings were higher to support the growth in the credit book which has grown by 255% during the year. The gross Balance Sheet size at the end of FY18 is Rs.35,858 million.

### Capital Adequacy Ratio

As per the Non Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs–ND–SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio (“CRAR”) of 15%. EFPL’s CRAR as on March 31, 2018 was 21.05% with a Tier I Ratio of 20.31% compared to total CRAR of 42.50% with a Tier I Ratio of 42.27% as on March 31, 2017.

## OPPORTUNITIES

The strides India has made in the last year on the structural front with major reforms like GST, Insolvency and Bankruptcy Code (IBC) and RERA have helped create a sound base for the growth trajectory going forward. The government has done well to continue its reforms agenda after Jan Dhan and Housing for All. All of these steps have been roundly appreciated in the global arena with the improvement in the Ease of Doing Business ranking as well as the ratings upgrade by Moody’s. The global economy is also continuing to recover. These developments augur well for growth of financial services and credit in India for firms like ours and offer immense opportunities in FY19 and beyond as under:

- Indian economy is already stabilising and various projections for growth by World Bank or IMF etc. indicate that India will grow at 7%+ in FY19 and continue to outperform other economies. This would open up vast opportunities for us to grow our credit portfolio.
- A welcome shift of access to credit from only large business houses to SMEs, MFIs, middle and low income groups has led to democratisation of credit opening up a vast section of eligible borrowers for credit institutions. This augurs well for companies like ours which have a presence in the credit segment.
- Social, Mobility, Analytics and Cloud Computing (SMAC) are the emerging trends in technology. Government initiatives in respect of Digital India and move towards formal and cashless economy will also open up new client segments and newer

delivery channels which firms like ours can tap for future growth.

## THREATS

While the opportunities landscape is promising, the following threats could dampen the growth of financial services sector in India:

- Slower than expected recovery of macro-economy, domestically as well as globally, or delay in revival of capex cycle can impede the growth.
- Impending Lok Sabha and a number of State elections could lead to uncertainties in the environment.
- While the monsoon is predicted to be normal this year, any unforeseen failure of the monsoon can hinder the recovery in rural economy.

## OUTLOOK & STRATEGY

The Indian economy is back on the growth path having regained its 7%+ growth rate, structural reforms, notably GST, are starting to show results and corporate recovery is seeing green shoots as well. Amidst all this, long-term trends which will propel India’s growth continue to strengthen. Democratisation of credit, financialization of assets and privatisation of the economy will together lead to a compounding effect, in turn doubling India’s GDP from USD 2.5 trillion in 2018 to USD 5 trillion in 2025. Financial Services including credit will continue to be a standout performer in this golden age of compounding.

In this significant growth scenario, we are well-gearred to take advantage of the unfolding opportunity. With the foundation we have laid, we are well placed to achieve good growth in the years to come by following our group’s time tested strategy of focusing on key vectors in our journey in future – **people management, cost management, risk management, technology, simplicity and customer obsession.**

## RISK MANAGEMENT

The business activities of EFPL are exposed to various risks that are either inherent to the business or have their genesis in changes to external environment.

Risk management has been core to Edelweiss group since we began our journey. By embedding risk management into the DNA of the organisation, we ensure that the first line of defence starts from each individual.

Respect for Risk is central to every business decision at Edelweiss. Simple questions are necessary to be answered before every decision i.e. **"Is it worth it?"** and **"Can we afford it?"**. To support the risk strategy and effective risk management, we have built an in-house **"Eight-risk framework"** coupled with **"Four-tiered risk governance structure"** which protects Edelweiss and ensure that there are enough defences available to control all types of risk events.

It is the constant endeavour of Edelweiss to heighten risk awareness and effectiveness of risk management. We share the same ethos in regard to Risk as our parent group.

We have the business risk team within our company which ensures implementation of risk philosophy and practices at business level. Our risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed.

### Key Risks

EFPL deals in multiple asset classes and client segments and is thus exposed to various risks that can be broadly classified as credit risk, market risk and operational risk.

#### Credit Risk

The credit risk framework of EFPL ensures prior and periodic comprehensive assessment of every client, counterparty and collateral. Exposure limits are sanctioned to counterparties based on their credit worthiness. Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits.

#### Market Risk

The asset liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also proactively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

#### Operational Risk

Operational risk framework of EFPL is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we constantly review all critical processes to proactively identify weak controls and strengthen the same.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

As per the Companies Act, 2013, the companies need to ensure that they have laid down internal financial controls and that such controls are adequate and were operating effectively. Towards this end, we at EFPL have always adopted a risk balancing approach. EFPL has an Internal Control System, commensurate with the size, nature and complexity of our operations. The Company conducts its internal audit within the parameters of regulatory framework including preparation and execution of annual internal audit plan.

#### Internal Audit

Internal Audit follows Generally Accepted Audit Practices, Internal Audit Standards, analytical procedures etc. and ensures compliance with section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.

#### Internal Control

Our Internal Control Procedures include monitoring compliance with relevant matters covered under section 134(5)(e) of the Companies Act 2013.

## HUMAN RESOURCES

Edelweiss group is a cross-cultural mosaic and our strength lies in our diversity everywhere, within teams and across businesses. Our diversity makes us a stronger organization by bringing in fresh ideas, perspectives, experiences and fostering a truly collaborative workplace. The sense of ownership each one of us has displayed over the years is a testament to the culture of entrepreneurship we have tried to foster in Edelweiss. We share the Edelweiss group HR philosophy.

At EFPL we believe that our human capital is our greatest strength and is the driver of growth, efficiency and productivity. We continue to focus on building entrepreneurial, innovative and leadership qualities in our employees through a number of well designed measures so that we have competent leaders for future growth.

We ended FY18 with a total headcount of 11 compared to 3 a year ago. We have a large pool of senior people in Edelweiss group who are with us for more than 5 years and whose guidance is always available.

## CREDIT RATINGS

EFPL enjoys the following Credit Ratings:

Rating Agency	Facility	Rating
Crisil	Long Term Bank Facilities	CRISIL AA/Stable
ICRA	Long Term Bank Facilities	[ICRA] AA
BWR	Long Term Debt Programme	BWR AA+
BWR	Long Term Debt Programme	BWR PP-MLD AA+
Crisil	Long Term Debt Programme	CRISIL PP-MLD AAr/Stable
Crisil	Long Term Debt Programme	CRISIL AA/Stable
ICRA	Long Term Debt Programme	[ICRA] AA
ICRA	Long Term Debt Programme	PP-MLD [ICRA]AA
Crisil	Short Term Debt Programme	CRISIL A1+
Crisil	Short Term Debt Programme	CRISIL PP- MLD A1+R
ICRA	Short Term Debt Programme	[ICRA] A1+
ICRA	Short Term Debt Programme	PP-MLD [ICRA]A1+

All ratings are current as on March 31, 2018.

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## CUSTOMER EXPERIENCE

In today's digital world, a customer has multiple options. Growth will accrue to organisations which succeed in giving a truly memorable customer experience. At Edelweiss, Customer Experience (CX) is regarded as a key pillar of business success. Traditionally, Edelweiss has taken a problem-solving based approach to improving CX across its businesses, focusing on:

- Who is the Customer?
- What is their Need?
- How can we address that Need in the best possible way?

This was captured in our group motto "**Suno Samjho Suljhao**".

With this group philosophy in sight, we continued to build a culture of customer-centric thinking across EFPL. To drive this agenda, we have also instituted wide ranging corporate structure changes across the group. Through these efforts, we are responding to **evolving customer needs**, and **institutionalizing these processes across the organisation**, to ensure a superlative experience for all our customer segments, throughout the value chain.

### **Cautionary Statement**

*Statements made in this Management Discussion and Analysis may contain certain forward looking statements based on various assumptions on the EFPL and Edelweiss Group's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. EFPL has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The presentation relating to business wise financial performance, balance sheet, asset books of EFPL and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding.*

\*\*\*\*\*.

**Remuneration Policy**

**Objective**

The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees.

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 objective of this Policy is to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance of 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 are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for stock options.
- The Non-executive Directors (other than promoter Directors) shall be eligible for stock options.

**Remuneration of the Managing Director & Executive Directors**

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('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 Executive Directors (other than the promoter Directors) shall be eligible for stock options.

#### **Remuneration of the KMP (other than Executive Directors) and Senior level employees**

- The key components of remuneration package of the KMP (other than Executive Directors) 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.

#### **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.



**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

2. The Composition of the CSR Committee is as under:-

Ms. Puja D'Souza	- Director
Mr. Hari Ram Misra *	- Director
Mr. Bharat Bakshi	- Independent Director
Mr. Ashish Kehair \$	-Director

\* upto May 23, 2018

\$ wef May 23, 2018

3. Average net profit of the Company for last three financial years :
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Nil
5. Details of CSR spent during the financial year: Nil
  - (a) Total amount to be spent for the financial year: Rs. Nil
  - (b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(in Rs.)

1	2	3	4	5	6		7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
			(1) Local area or other		Sub - heads:			
			(2) Specify the State and district where projects or programs was undertaken		(1) Direct expenditure on projects or programs	(2) Overheads:		
		-	-	-	-	-	-	
	Total			-			-	

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company is a subsidiary of ECap Equities Limited which is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 177,841,968 (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.

- 7. A responsibility statement of the CSR Committee -**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**-Sd/  
Puja D' Souza  
Director  
DIN No.: 05136515**

**-Sd/  
Ashish Kehair  
Director  
DIN No.: 07789972**

Date: May 23, 2018  
Place: Mumbai



**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Edelweiss Finvest Private Limited**  
*(formerly known as Arum Investments Private Limited)*  
Edelweiss House, Off C.S.T. Road, Kalina,  
Mumbai – 400 098.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Finvest Private Limited** (CIN: U65993MH2006PTC164007) *(formerly known as Arum Investments Private Limited)* and having its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098 (hereinafter called the "Company") for the Financial Year ended on March 31, 2018 (the audit period). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings<sup>1</sup>;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

<sup>1</sup> Not applicable to the Company during the audit period





***“Committed to Comply”***

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011<sup>2</sup>;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009<sup>3</sup>;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014<sup>4</sup>;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009<sup>5</sup>;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998<sup>6</sup>; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures of the Company issued by the Company on a Private Placement basis and listed on the Whole Sale Debt Segment of BSE Limited (the “Stock Exchange”).
- (vi) The Reserve Bank of India Act, 1934 and the Circular(s), Direction(s), Notification(s) and Regulation(s) issued by the Reserve Bank of India as applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking company, being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standard issued by The Institute of Company Secretaries of India related to meetings and minutes.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and in respect of the laws specifically applicable to the Company based on its sector/industry, in so far as registration, submission of various returns/information for other particulars to be filed with Reserve Bank of India.



<sup>2</sup> Not applicable to the Company during the audit period

<sup>3</sup> Not applicable to the Company during the audit period

<sup>4</sup> Not applicable to the Company during the audit period

<sup>5</sup> Not applicable to the Company during the audit period

<sup>6</sup> Not applicable to the Company during the audit period





**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Resolutions of the Board of Directors and its Committees are approved on the basis of majority and are duly recorded in the respective minutes. There were no dissenting views by any member of the Board of Directors during the Audit Period.

**We further report that** there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines and standards.

**We further report that** during the audit period :

- (i) the National Company Law Tribunal, Mumbai Bench (the NCLT) vide its order dated July 5, 2017 has approved the Scheme of Arrangement filed by the Company (being the First Resulting Company) jointly with Edelweiss Finance & Investments Limited (the Demerged Company) and Edel Land Limited (the Second Resulting Company) under Sections 230 to 232 of the Companies Act, 2013 and the Rules issued there under ("the Scheme"). The said Scheme has been effective from August 1, 2017;
- (ii) the Company has obtained the approval of members by way of Ordinary Resolution passed at the Extra-Ordinary General Meeting held on December 31, 2017 for re-classification of the Authorised Share Capital of the Company and on such re-classification, the Authorised Share Capital of the Company stood at Rs. 35,00,00,000 (Thirty Five Crores) divided into 2,31,79,000 (Two Crore Thirty One Lakh and Seventy Nine Thousand) Equity Shares of the face value of Rs. 10/- (Rupees Ten) each and 1,18,21,000 (One Crore Eighteen Lakh and Twenty One Thousand) Preference Shares of the face value of Rs. 10/- each;
- (iii) the Company has obtained the approval of members by way of Ordinary Resolution passed at the Extra-Ordinary General Meeting held on March 31, 2018 for re-classification of the Authorised Share Capital of the Company and on such re-classification, the Authorised Share Capital of the Company stood at Rs. 35,00,00,000 (Thirty Five Crores) divided into 3,50,00,000 (Three Crore Fifty Lakh) Equity Shares of the face value of Rs. 10/- (Rupees Ten) each;
- (iv) the Company has obtained the approval of members under Sections 42 & 71 of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on June 28, 2017 for issue of Non-Convertible Debentures on





***"Committed to Comply"***

Private Placement Basis for an amount aggregating Rs. 2,000 Crores in one or more tranches;

- (v) the Company has obtained the approval of members under Section 180(1)(a) and 180(1)(c) of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on June 28, 2017 to borrow money in excess of the paid-up capital and free reserves for an amount not exceeding Rs. 5,000 Crores at any time;
- (vi) the Company has allotted 27,904 Listed Secured Redeemable Non-Convertible Debentures of the Face Value of Rs. 1,00,000 (Rupees One Lakh only) each aggregating to Rs. 279,26,20,683;
- (vii) the Company has allotted 15,425 Listed Unsecured Redeemable Non-Convertible Debentures of the Face Value of Rs. 1,00,000 (Rupees One Lakh only) each aggregating to Rs. 155,04,01,450;
- (viii) the Company has allotted 700 Unlisted Secured Redeemable Non-Convertible Debentures of the Face Value of Rs. 1,00,000 (Rupees One Lakh only) each aggregating to Rs. 7,00,00,000; and
- (ix) the Company has allotted 325 Unlisted Secured Redeemable Non-Convertible Debentures of the Face Value of Rs. 1,00,00,000 (Rupees One Crore only) each aggregating to Rs. 325,00,00,000.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Place: Mumbai**  
**Date : May 23, 2018**



For M/s. **SAHANI & KOTHARI ASSOCIATES**  
Company Secretaries

  
**Karan S. Sahani**  
Partner

M. No. ACS 40638 C.P. No. 17189



'Annexure A'

To,  
The Members,  
**Edelweiss Finvest Private Limited**  
(formerly known as Arum Investments Private Limited)  
Edelweiss House, Off C.S.T. Road, Kalina,  
Mumbai – 400 098.


Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

*Company Secretaries*



  
**Karan S. Sahani**  
*Partner*

M. No. ACS 40638 C.P. No. 17189

**Place: Mumbai**  
**Date : May 23, 2018**



**Annexure IV****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31<sup>st</sup> March, 2018****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies****(Management and Administration) Rules, 2014]**

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS:</b>	
i)	<b>CIN</b>	U65993MH2006PTC164007
ii)	<b>Registration Date</b>	August 23, 2006
iii)	<b>Name of the Company</b>	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)
iv)	<b>Category / Sub-Category of the Company</b>	Private Company / Limited by shares
v)	<b>Address of the Registered office and contact details</b>	Edelweiss House, Off CST Road, Kalina, Mumbai - 400098 (Upto May 3, 2018)  Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla West Mumbai 400070.  Email : <a href="mailto:cs@edelweissfin.com">cs@edelweissfin.com</a> Tel No. - +91 22 4009 2200 (w.e.f. May 4, 2018)
vi)	<b>Whether listed company</b>	Yes
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	<b>(1) Link Intime India Private Limited</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel No.: +91 22 4918 6270 Fax No.: +91 22 4918 6060

		<b>(2) Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. Tel: +91 40 6716 2222 Fax: +91 40 2300 1153
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10% or more of the total turnover of the company	As per Attachment - A
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment - B
<b>IV.</b>	<b>SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
i)	Category-wise Share Holding	As per Attachment - C
ii)	Shareholding of Promoters	As per Attachment - D
iii)	Change in Promoters' Shareholding	As per Attachment - E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment - F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment - G
<b>V</b>	<b>Remuneration of Directors and Key Managerial Personnel</b>	
i)	Remuneration to Managing Director, whole time Directors and / or Manager	As per Attachment - H
ii)	Remuneration to other Directors	As per Attachment - I
iii)	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Attachment - J
<b>VI.</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment - K

<b>VII.</b>	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>	As per Attachment - L

### Attachment - A

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

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

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product / service #</b>	<b>% to total turnover / income of the Company \$</b>
1.	Other financial service activities, except insurance and pension funding activities	649	98.45

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

\$ On the basis of Gross Income

### Attachment - B

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

<b>Sr. No</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary / Associate</b>	<b>% of shares Held</b>	<b>Applicable Section</b>
1.	ECap Equities Limited 2 <sup>nd</sup> Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad - 500 034.	U67190TG2008PLC057122	Holding Company	67.40%	Section 2(46)

Attachment – C

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1,2017				No. of Shares held at the end of the year as on March 31,2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	17,00,812	-	17,00,182	60.61	17,00,812	2,07,58,908	2,24,59,720	67.40	6.79
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	17,00,812	-	17,00,812	<b>60.61</b>	17,00,812	2,07,58,908	<b>2,24,59,720</b>	<b>67.40</b>	6.79
<b>(2) Foreign</b>									-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	17,00,812	-	17,00,812	<b>60.61</b>	17,00,812	2,07,58,908	<b>2,24,59,720</b>	<b>67.40</b>	6.79

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	11,05,180	6*	11,05,186*	39.39	93,84,455	14,81,700	1,08,66,155	32.6	(6.79)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>11,05,180</b>	<b>6</b>	<b>11,05,186</b>	<b>39.39</b>	<b>1,10,85,267</b>	<b>2,22,40,608</b>	<b>3,33,25,875</b>	<b>32.60</b>	<b>(6.79)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>28,05,992</b>	<b>6</b>	<b>28,05,998</b>	<b>100</b>	<b>1,10,85,267</b>	<b>2,22,40,608</b>	<b>3,33,25,875</b>	<b>100</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>28,05,992</b>	<b>6</b>	<b>28,05,998</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>3,33,25,875</b>	<b>100</b>	<b>-</b>

\* Includes 6 Equity Shares held by 6 Nominees @ 1 Equity Share per Nominee.

**Attachment - D**

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2017			Share holding at the end of the year as on March 31, 2018			% change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ECap Equities Limited	17,00,812	60.61	Nil	2,24,59,720	67.40	-	6.79
	Total	17,00,812	60.61	Nil	2,24,59,720	67.40	-	6.79

**Attachment - E**

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

SR. No.	Name	Shareholding at the beginning of the year as on April 1, 2017		Increase/Decrease in shareholding during the year			Date of change	Cumulative Shareholding during the year / at the end of the year as on March 31, 2018	
		No. of shares	% of the total shares of the Company	No. of Shares Increase	No. of Shares Decrease	Increase /Decrease during the year specifying the reasons for increase /decrease		No. of shares	% of total shares of the Company
1	ECap Equities Limited	17,00,812	60.61%	2,07,58,908 -	-	Refer Note below		2,24,59,720	67.40

**Note:** Allotment of Equity Shares on Conversion of Compulsorily Convertible Non-cumulative Preference Shares “under Series B” (CCPS B) as on December 31, 2017 and Series C’ (CCPS C) as on March 31, 2018.

**Attachment – F**

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

SR. No.	Name	Shareholding at the beginning of the year as on April 1, 2017		Increase/Decrease in shareholding during the year			Date of change	Cumulative Shareholding during the year as on March 31, 2018	
		No. of shares	% of the total shares of the Company	No. of Shares Increase	No. of Shares Decrease	Reason		No. of shares	% of total shares of the Company
1	Edelweiss Financial Services Limited	–	–	82,79,275		Allotment	August 1, 2017	82,79,275	24.84
2	Edelweiss Securities Limited	11,05,186	39.39	1,54,208	-	Allotment	December 31, 2017	12,59,394	3.78
3	Edelweiss Commodities Services Limited	–	–	13,27,486	-	Allotment	December 31, 2017 & March 31, 2018	13,27,486	3.98
		<b>Total</b>							<b>25.81</b>

**Attachment – G**

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

Sl. No.	Name	Shareholding at the beginning of the year as on April 1, 2016		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company				No. of shares	% of total shares of the Company
_____	_____	_____	_____				_____	_____
<b>A.</b>	<b><u>Directors</u></b>							
	Nil							
<b>B.</b>	<b><u>Key Managerial Personnel</u></b>							
	Nil							



**Attachment – H****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount (Rs.)
		Managing Director	Whole time Director	Manager Mr. Bhavin Mehta Amount (Rs.)	
1.	Gross salary	-	-		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	17,62,768	17,62,768
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	-	-	17,62,768	17,62,768
	Ceiling as per the Act	The total managerial remuneration is within the ceilings prescribed.			

**Attachment – I****B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration to Independent Directors	Name of Directors			Total Amount (Rs.)
		Mr. Ravindra Ankam Amount (Rs.)	Mr. Sanjay Shah Amount (Rs.)	Mr. Bharat Bakshi Amount (Rs.)	
	• Fee for attending Board / Committee meetings	1,20,000	1,30,000	10,000	2,60,000
	• Commission	--	--		--
	• Others, please specify	--	--		--
	<b>Total (1)</b>	1,20,000	1,30,000	10,000	2,60,000
	4. Other Non-Executive Directors				
	• Fee for attending board / committee meetings	--	--	--	--
	• Commission	--	--	--	--
	• Others, please specify	--	--	--	--
	<b>Total (2)</b>	--	--	--	--
	Total (B)=(1+2)	1,20,000	1,30,000	10,000	2,60,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	The total managerial remuneration is within the ceilings prescribed.			

**Attachment – J****C. Remuneration to Key Managerial Personnel other than MD /Manager /WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Mr. Bhavesh Singh Amt.(Rs.)	CFO Ms. Sheetal Gandhi Amt.(Rs.)	Total Amt.(Rs.)
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 inclusive of Bonus	-	-	47,91,582	47,91,582
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-	-
5.	Others, please specify	-	-		
	<b>Total</b>	-		47,91,582	47,91,582

Attachment – K**V. INDEBTEDNESS**

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

(Amount in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5799.50	777.37	-	6,576.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	67.11	24.80		91.91
<b>Total (i+ii+iii)</b>	<b>5,866.61</b>	<b>802.17</b>	<b>-</b>	<b>6,668.78</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	16,825.13	27,250.84	-	44,075.97
• Reduction	6,457.03	18,068.71	-	24,525.73
<b>Net Change</b>	<b>10,368.11</b>	<b>9,182.13</b>	<b>-</b>	<b>19,550.24</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13,986.93	9,024.49	-	23,011.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,247.79	959.81	-	3207.60
<b>Total (i+ii+iii)</b>	<b>16,234.72</b>	<b>9,984.30</b>	<b>-</b>	<b>26,219.02</b>

## ATTACHMENT L

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

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

For and on behalf of the Board of Directors  
**Edelweiss Finvest Private Limited**  
(Formerly known as Arum Investments Private Limited)

-Sd/

**Puja D' Souza**  
Director  
DIN No.: 05136515

-Sd/

**Ashish Kehair**  
Director  
DIN No.: 07789972

Date: May 23, 2018  
Place: Mumbai

**Particulars of the Employees**

Sr. No.	Disclosure Requirement	Disclosure Details			
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Directors	Title	Ratio	
			Executive Director		
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors/KMP's		Title	% increase in remuneration
		Mr. Bhavin N.Mehta		Manager	195
		Ms. Sheetal Desai	Chief Financial Officer	101	
3	Percentage increase in the median remuneration of employees in the financial year	127 %. The employees who joined the Company in FY 2017-18 are not considered for this purpose.			

4	Number of permanent employees on the rolls of Company at the end of the year	There were 11 permanent employees on the rolls of the Company as on March 31, 2018.
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional Circumstances for increase in the managerial remuneration.	Average increase for employees other than managerial personnel who were in employment during FY 16-17 and FY 17-18 the average increase is NIL % Average increase for managerial personnel is 131.92%.
6	Affirmations that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**Sd/-**  
**Puja D' Souza**  
**Director**  
**DIN No.: 05136515**

**Sd/-**  
**Ashish Kehair**  
**Director**  
**DIN No.: 07789972**

Date: May 23, 2018  
Place: Mumbai

Details of Top 10 Employees											
Sr. No.	Name	Designation	Educational Qualification	Experience (No. of Years)	Remuneration (Rs.)	Previous Employment & Designation (if any)	Employment Nature (Contractual / Otherwise)	Date of Commencement of employment	Age	% of Shareholding in the Company	Whether relative of any of the Company (Yes / No)
1	Sheetal Gandhi	CFO	Master of Electronic Commerce	15.0	4791582	S. R. Divatia & Co.	Otherwise	09-Apr-07	36	Nil	No
2	Bhavin N Mehta	Manager	Masters	10.8	1717408		Otherwise	18-Jun-07	31	Nil	Self
4	Ankit Gala	Senior Vice President	Masters in Management Studies	11.9	388422		Otherwise	15-May-06	35	Nil	No
5	Patricia Lobo	Associate	Bachelor of Commerce	11.3	200000	Pacific Chemicals	Otherwise	21-Dec-06	46	Nil	No
6	Prashant Pandhare	Assistant Manager	Bachelor of Engineering	8.5	138012	Paramatrix Technologies Private Limited	Otherwise	01-Jun-15	34	Nil	No
7	Deepak Daga	Associate	Masters in Management Studies	6.5	72900	Capgemini India	Otherwise	08-Jun-15	31	Nil	No
8	Prabhakar Narayan Dhanawade	Assistant Manager	Master of Commerce	12.1	67016	IL&FS Securities Services Limited	Otherwise	01-Feb-18	38	Nil	No
9	Paramana nd Rajbhar	Associate	Master of Computer Applications	6.2	65926	Edelweiss	Otherwise	02-Jul-12	31	Nil	No



10	Veenal Dadlani	Manager	Master of Business Administration	9.4	61964	Edelweiss	Otherwise	27-May-10	33	Nil	No
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Sd/-  
**Puja D' Souza**  
**Director**  
**DIN No.: 05136515**

Sd/-  
**Ashish Kehair**  
**Director**  
**DIN No.: 07789972**

Date: May 23, 2018  
Place: Mumbai

# Price Waterhouse Chartered Accountants LLP

## TO THE MEMBERS OF EDELWEISS FINVEST PRIVATE LIMITED

### Report on the Financial Statements

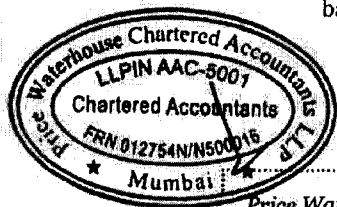
1. We have audited the accompanying financial statements of Edelweiss Finvest Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.,

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Finvest Private Limited

Report on the Financial Statements

Page 2 of 3

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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, 2018, and its profit and its cash flows for the year ended on that date.

### Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A;



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

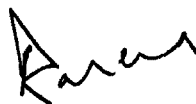
To the Members of Edelweiss Finvest Private Limited

Report on the Financial Statements

Page 3 of 3

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 2.34;
  - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.5, 2.9 and 2.70;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018; and
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 01256N/N500016  
Chartered Accountants



Russell I Pareera  
Partner  
Membership Number : 42190

Mumbai  
May 02, 2018

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018

Page 1 of 3

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

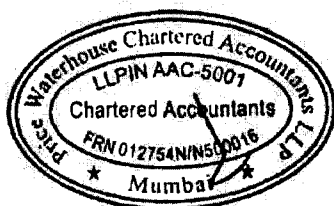
1. We have audited the internal financial controls over financial reporting of Edelweiss Finvest Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018

Page 2 of 3

## Meaning of Internal Financial Controls Over Financial Reporting

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

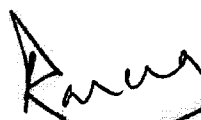
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/ N500016  
Chartered Accountants



Russell I Parera  
Partner  
Membership Number : 42190

Mumbai  
May 02, 2018

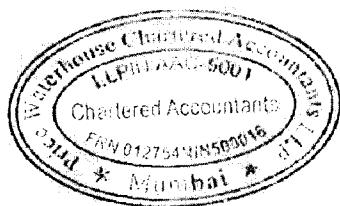
# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements as of and for the year ended March 31, 2018

Page 1 of 3

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.  
  
(c) The title deeds of immovable properties, as disclosed in Note 2.10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The verification of securities held as stock in trade have been conducted on the basis of statement of holding received from the Depository Participants and account statement of Mutual Fund at reasonable intervals by the Management during the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company being a Non-banking financial Company and therefore, the provisions of Clause 3(iv) of the said Order in respect of Section 185 and 186 (2) is not applicable.  
  
In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 (1) of the Companies Act, 2013 as applicable, in respect of investment made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including profession tax, provident fund, employees' state insurance, income tax, service tax, goods and service tax with effect from July 1, 2017, value added tax, cess, TDS and other material statutory dues, as applicable, with the appropriate authorities.



# Price Waterhouse Chartered Accountants LLP

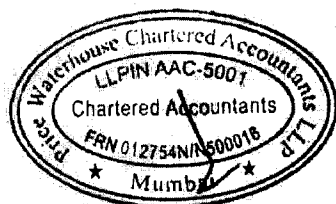
## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018  
Page 2 of 3

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	47.10	Assessment Year 2014-15	Commissioner of Income Tax (A)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.





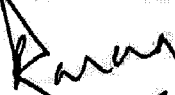
# **Price Waterhouse Chartered Accountants LLP**

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Finvest Private Limited on the financial statements for the year ended March 31, 2018  
Page 3 of 3

- xv. The Company has not entered into any non -cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non- Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016  
Chartered Accountants



Russell I Pareira  
Partner  
Membership Number : 42190

Mumbai  
May 02, 2018

# Edelweiss Finvest Private Limited

## Balance sheet

(Currency : Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	333,258,750	255,129,000
Reserves and surplus	2.2	8,051,066,932	5,141,836,803
		<u>8,384,325,682</u>	<u>5,396,965,803</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	9,011,324,185	4,740,997,860
Deferred tax liabilities (net)	2.12	-	3,867,177
Other long-term liabilities	2.4	2,347,724,770	74,830,293
Long-term provisions	2.5	274,334,341	3,168,278
		<u>11,633,383,296</u>	<u>4,822,863,608</u>
<b>Current liabilities</b>			
Short-term borrowings	2.6	7,765,857,481	-
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	2.35	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.7	345,560,380	53,111,592
Other current liabilities	2.8	7,156,536,293	1,877,488,456
Short-term provisions	2.9	572,107,247	67,368,831
		<u>15,840,061,401</u>	<u>1,997,968,879</u>
<b>Total</b>		<u><b>35,857,770,379</b></u>	<u><b>12,217,798,290</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant and Equipment	2.10	1,133,137	1,103,371
Non-current investments	2.11	4,337,039,072	2,792,423,903
Deferred tax assets (net)	2.12	231,059,465	-
Long-term loans and advances	2.13	5,616,043,761	771,846,301
Other non-current assets	2.14	206,767,206	96,005,916
		<u>10,392,042,641</u>	<u>3,661,379,491</u>
<b>Current assets</b>			
Current Investments	2.15	-	79,000,000
Stock-in-trade	2.16	22,231,435,327	6,582,283,194
Trade receivables	2.17	23,319,046	-
Cash and bank balances	2.18	363,746,087	70,186,351
Short-term loans and advances	2.19	1,388,883,456	1,128,333,748
Other current assets	2.20	1,458,343,822	696,615,506
		<u>25,465,727,738</u>	<u>8,556,418,799</u>
<b>Total</b>		<u><b>35,857,770,379</b></u>	<u><b>12,217,798,290</b></u>

The accompanying notes are an integral part of the financial statements

1 & 2

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No: 012754N / NS00016

Russell I Parera

Partner

Membership No: 42190

Mumbai

2 May 2018

For and on behalf of the Board of Directors

Puja Dsouza

Director

DIN : 05136515

Hari Ram Misra

Director

DIN : 07599248

Sachin Gandhi

Chief Financial Officer

Niket Joshi

Company Secretary

Mumbai

2 May 2018

## Edelweiss Finvest Private Limited

### Statement of profit and loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue from operations</b>			
Fee and commission income	2.21	87,463,526	
Income from treasury	2.22	51,616,818	(5,952,367)
Interest income	2.23	3,188,276,415	1,105,463,408
<b>Other income</b>	2.24		20,225
<b>Total revenue</b>		<b>3,327,358,759</b>	<b>1,099,531,266</b>
<b>Expenses</b>			
Employee benefit expenses	2.25	34,448,525	5,417,908
Finance costs	2.26	563,073,499	363,931,642
Depreciation and amortisation expense	2.10	109,237	61,788
Other expenses	2.27	1,034,883,228	49,814,368
<b>Total expenses</b>		<b>1,632,514,489</b>	<b>419,225,706</b>
<b>Profit before tax</b>		<b>1,694,844,270</b>	<b>680,305,560</b>
<b>Tax expenses:</b>			
Current tax [includes short / (excess) provision for earlier years of ₹ 103,055,681; previous year ₹ 352,722]		477,892,320	207,782,294
Deferred tax (net)		(115,249,256)	9,427,578
<b>Profit after tax</b>		<b>1,332,201,206</b>	<b>463,095,688</b>
<b>Earnings per equity share (₹) (Face value of ₹ 10 each)</b>	2.30		
Basic		118.33	165.04
Diluted		118.33	18.15

The accompanying notes are an integral part of the financial statements 1 & 2

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No: 012754N / N500016

  
Russell I Parera

Partner

Membership No: 42190

Mumbai  
2 May 2018

For and on behalf of the Board of Directors

  
Puja D'souza

Director

DIN : 05136515

  
Hari Ram Mishra

Director

DIN : 07599248

  
Sheetal Gandhi

Chief Financial Officer

Mumbai

2 May 2018

  
Niket Joshi

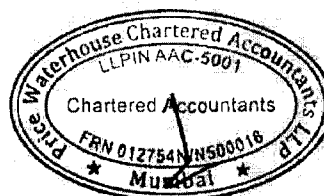
Company Secretary

# Edelweiss Finvest Private Limited

## Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profit before taxation	1,694,844,270	680,305,560
<i>Adjustments for</i>		
Depreciation	109,237	61,788
Provision for compensated absences	124,423	(115,000)
Provision for non performing asset	483,550,000	-
Provision for standard asset	67,837,979	12,092,839
Loss on sale of fixed assets	3,393	-
Diminution in value of non-current investments	57,829,765	-
Dividend on current investments	(762,148,735)	(71,148,000)
Profit on sale of current investment	(2,922,266)	12,313,436
Profit on sale of non-current investment	(513,275,158)	-
Interest accrued on fixed deposits	(4,054,434)	(4,135,009)
Bad- debts and advances written off	290,800,000	-
<b>Operating cash flow before working capital changes</b>	<b>1,312,698,474</b>	<b>629,375,614</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
(Increase) /decrease in receivables from financing business (net) (refer note 1)	(5,304,917,555)	1,513,805,876
Increase in stock in trade	(15,649,152,133)	(4,932,283,194)
Increase in loans and advances and other current assets	(941,611,540)	(606,406,761)
Increase in liabilities and provisions	3,460,036,272	15,315,177
<b>Cash used in operations</b>	<b>(17,122,946,482)</b>	<b>(3,380,193,288)</b>
Income taxes paid	(308,280,301)	(187,426,383)
<b>A Net cash used in operating activities</b>	<b>(17,431,226,783)</b>	<b>(3,567,619,671)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(142,161)	-
Sale of non current investments	1,140,493,057	-
Purchase of non current investments	(2,229,662,832)	(2,792,423,903)
Purchase of current investments	-	(875,010,000)
Sale of current investment	81,922,266	853,696,571
Dividend on investments	762,148,735	71,148,000
Interest income received on fixed deposit	4,054,434	4,136,426
<b>B Net cash used in investing activities</b>	<b>(241,186,501)</b>	<b>(2,738,452,906)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from long term borrowings	15,860,400,000	6,307,997,860
Repayment of long term borrowings	(7,200,413,247)	-
Increase / (decrease) in short term borrowing	7,765,857,481	(14,545,965)
Adjustment on account of demerger (Refer note 2.56)	1,540,128,787	-
<b>C Net cash generated from financing activities</b>	<b>17,965,973,021</b>	<b>6,293,451,895</b>



# Edelweiss Finvest Private Limited

## Cash Flow Statement (Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>293,559,736</u>	<u>(12,620,682)</u>
Cash and cash equivalent as at the beginning of the year	20,186,351	32,807,033
Cash and cash equivalent as at the end of the year (Refer note 2.18)	313,746,087	20,186,351

### Notes:

- 1 Net figures have been reported on account of volume of transactions.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accompanying notes are an integral part of these financial statements

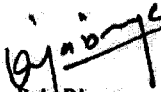
This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Chartered Accountants  
Firm's Registration No: 012754N / N500016

  
Russell I Parera  
Partner  
Membership No: 42190

Mumbai  
2 May 2018

For and on behalf of the Board of Directors

  
Puja D'souza  
Director  
DIN : 05136515

  
Hari Ram Misra  
Director  
DIN : 07599248

  
Shweta Gandhi  
Chief Financial Officer

  
Niket Joshi  
Company Secretary

Mumbai  
2 May 2018

# Edelweiss Finvest Private Limited

## Notes to the financial statements

### 1. Significant accounting policies

#### 1.1 Background

Edelweiss Finvest Private Limited ('the Company') is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non Deposit Accepting Non Banking Financial Company. The Company was incorporated on 23 August 2006, and is a subsidiary of Ecap Equities Limited which is a 100% subsidiary of Edelweiss Financial Services Limited (the ultimate holding company).

The Company is primarily engaged in the business of corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and Real Estate Finance to developers and under the retail credit vertical it offers loan against securities.

#### 1.2 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified), the Companies Act, 1956 (to the extent applicable) and the Schedule III to the Act and circulars and guidelines issued by the Reserve Bank of India ('RBI'). The financial statements are presented in Indian rupees.

The Company being a Non Banking Financial Company ('NBFC') registered with RBI follows the guidelines issued by the RBI, in respect of income recognition, provisioning for non-performing assets and valuation of investments.

#### 1.3 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.4 Current/non-current classification

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

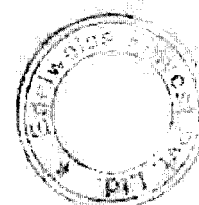
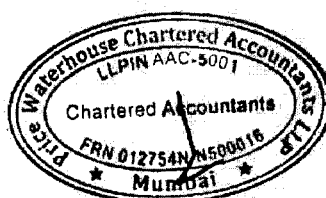
##### Assets

An Asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.4 Current/non-current classification (Continued)

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

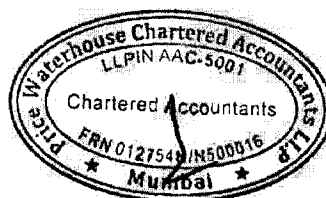
- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

#### 1.5 Revenue recognition

- a. Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, which is accounted on realisation, as per RBI guidelines.
- b. Portion of maturity premium on loans that is agreed with the borrower and receivable on maturity, is accounted upon its agreement at maturity.
- c. Dividend income is recognised when the right to receive payment is established.
- d. Profit/loss on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- e. Realised profit/loss on closed positions of derivate instrument is recognised on final settlement on squaring of the contracts.
- f. Processing and other fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- g. Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, currency interest rate derivative instruments.
  - i) Profit/loss on sale of investments / securities is determined based on the weighted average cost of the investments / securities sold and recognised on trade date.
  - ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.6 Cost of Benchmark linked debentures

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

#### 1.7 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

#### 1.8 Provisioning on receivables from financing business

Provision for non performing assets is made based on management's assessment of the degree of impairment subject to minimum provisioning levels prescribed in the prudential norms for asset classification and provisioning guidelines issued by the RBI for NBFCs.

Provisions against standard assets are made in accordance with the prudential norms laid down by RBI.

#### 1.9 Fixed asset and depreciation/ amortisation

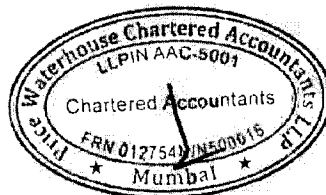
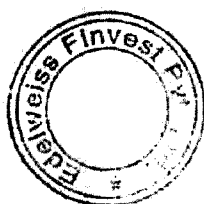
##### Property, Plant and Equipments

Property, Plant and Equipments are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on written down value basis from the date the asset is put to use or ready for its intended use whichever is earlier. In respect of asset 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 estimated useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of asset	Estimated useful life
Building (Flat)	60 Years
Office Equipments	5 Years
Computers - End user devices, such as desktops, laptops, etc.	3 Years





# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.10 Impairment of assets

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

#### 1.11 Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

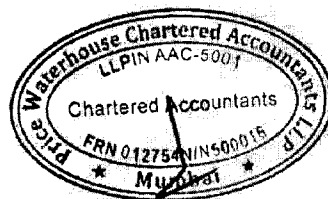
Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual fund is considered as the fair value.

#### 1.12 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade are valued at lower of weighted average cost and market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- c) Debt instruments are valued at lower of cost and fair value. In case of debt instruments for which direct quotes are not available, fair value is the lowest of the quotes as on the valuation date as provided by market intermediaries.

#### 1.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.14 Taxation

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-Tax Act, 1961), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

##### *Current tax*

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

##### *Deferred tax*

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

##### *Minimum Alternative Tax (MAT) Credit*

MAT credit asset is recognised when there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

#### 1.15 Employee benefits

The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

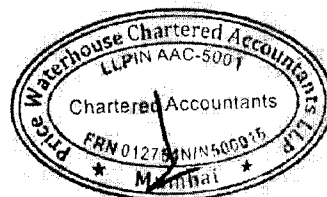
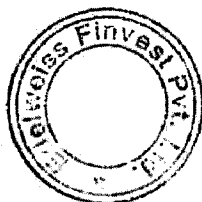
##### *Provident Fund*

The Company contributes to a recognised provident fund 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 benefits 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. This 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 actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognizes each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

### 1. Significant accounting policies (Continued)

#### 1.15 Employee benefits (Continued)

##### *Compensated leave 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 to the statement of profit & loss account and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of profit and loss.

##### *Deferred Bonus*

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

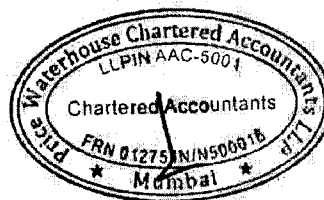
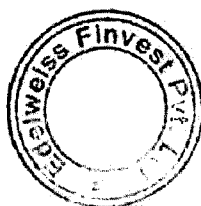
#### 1.16 Operating leases

Lease payment for asset taken on operating lease are recognised as an expense in the statement of profit and loss on a straight- line basis over the lease term.

#### 1.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. 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 during 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 the weighted average number of equity shares considered for deriving the basic EPS and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.



# Edelweiss Finvest Private Limited

## Notes to the financial statements (Continued)

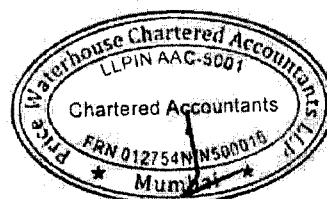
### 1. Significant accounting policies (Continued)

#### 1.18 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



# **Edelweiss Finvest Private Limited**

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

(Currency : Indian rupees)

### **2.1 Share capital**

#### **a. Authorised :**

35,000,000 (Previous year: 11,500,000) Equity shares of ₹ 10 each  
Nil (Previous year: 23,500,000) Preference shares of ₹ 10 each

As at  
31 March 2018

As at  
31 March 2017

350,000,000

115,000,000

-

235,000,000

350,000,000

350,000,000

#### **b. Issued, Subscribed and Paid up:**

33,325,875 (Previous year: 2,805,998) equity shares of ₹ 10 each, fully paid-up

333,258,750

28,059,980

Nil (Previous year: 800,000) 0.01% Compulsorily convertible non-cumulative preference shares - Series A of ₹ 10 each, fully paid up

-

8,000,000

Nil (Previous year: 11,345,363) 0.01% Compulsorily convertible non-cumulative preference shares - Series B of ₹ 10 each, fully paid up

-

113,453,630

Nil (Previous year: 10,561,539) 0.01% Compulsorily convertible non-cumulative preference shares - Series C of ₹ 10 each, fully paid up

-

105,615,390

333,258,750

255,129,000

#### **a. Movement in share capital :**

	31 March 2018		31 March 2017	
	No of shares	Amount	No of shares	Amount
<b>i) Equity shares</b>				
Outstanding at the beginning of the year	2,805,998	28,059,980	2,805,998	28,059,980
Shares issued during the year	30,519,877	305,198,770	-	-
Outstanding at the end of the year	33,325,875	333,258,750	2,805,998	28,059,980
<b>ii) 0.01% Compulsorily convertible non- cumulative preference shares - Series A</b>				
Outstanding at the beginning of the year	800,000	8,000,000	800,000	8,000,000
Add: Shares issued during the year	-	-	-	-
Less: Shares converted into Equity shares	333,700	3,337,000	-	-
Less: Shares cancelled on account of demerger (Refer note 2.56)	466,300	4,663,000	-	-
Outstanding at the end of the year	-	-	800,000	8,000,000
<b>iii) 0.01% Compulsorily convertible non- cumulative preference shares - Series B</b>				
Outstanding at the beginning of the year	11,345,363	113,453,630	11,345,363	113,453,630
Add: Shares issued during the year	-	-	-	-
Less: Shares converted into Equity shares	11,345,363	113,453,630	-	-
Outstanding at the end of the year	-	-	11,345,363	113,453,630
<b>iv) 0.01% Compulsorily convertible non- cumulative preference shares - Series C</b>				
Outstanding at the beginning of the year	10,561,539	105,615,390	10,561,539	105,615,390
Add: Shares issued during the year	-	-	-	-
Less: Shares converted into Equity shares	10,561,539	105,615,390	-	-
Outstanding at the end of the year	-	-	10,561,539	105,615,390

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

The Company has only one class of shares referred to as equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share.

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

#### **c. Terms/rights attached to 0.01% Compulsorily convertible non- cumulative preference shares - Series A (CCPS -A)**

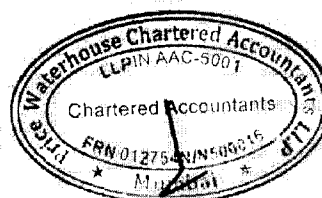
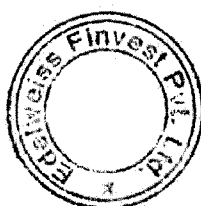
The tenure of CCPS-A was upto 31 December 2017. With the required consent of the CCPS-A holders, the term of issue of the CCPS-A had been changed and accordingly the holders of CCPS-A can convert any or all the CCPS-A held by them into 1 equity share of the Company of ₹10 each at par. All the CCPS-A outstanding as on 31 December 2017 have been converted into equity shares.

#### **d. Terms/rights attached to 0.01% Compulsorily convertible non- cumulative preference shares - Series B (CCPS - B)**

The tenure of CCPS-B was upto 31 December 2017. During the term of the CCPS-B, the holder can convert any or all the CCPS-B held by them into 1 equity share of the Company of ₹ 10 each at face value. All the CCPS-B outstanding as on 31 December 2017 have been converted into equity shares.

#### **e. Terms/rights attached to 0.01% Compulsorily convertible non- cumulative preference shares - Series C (CCPS - C)**

The tenure of CCPS-C was upto till 31 March 2018. During the term of the CCPS-C, the holder can convert any or all the CCPS-C held by them into 1 equity share of the Company of ₹ 10 each at face value. All the CCPS-C outstanding as on 31 March 2018 have been converted into equity shares.



# **Edelweiss Finvest Private Limited**

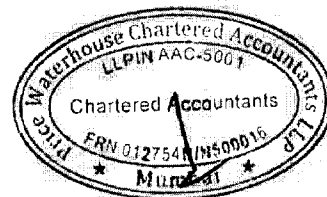
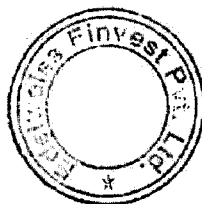
Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018		As at 31 March 2017	
	No of shares	% holding in the class	No of shares	% holding in the class
<b>f Shares held by holding/ultimate holding company and/or their subsidiaries/associates</b>				
Edelweiss Financial Services Limited - Ultimate holding company	8,279,275	24.84	-	-
ECap Equities Limited - Holding company	22,459,720	67.40	1,700,812	60.61
Edelweiss Securities Limited - Fellow subsidiary company	1,259,394	3.78	1,105,186	39.39
Edelweiss Commodities Services Limited - Fellow subsidiary company	1,327,486	3.98	-	-
	<u>33,325,875</u>	<u>100.00</u>	<u>2,805,998</u>	<u>100.00</u>
<b>g Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>	No of shares	% holding in the class	No of shares	% holding in the class
Equity Shares of Rs 10 each fully paid				
ECap Equities Limited	22,459,720	67.40	1,700,812	60.61
Edelweiss Financial Services Limited	8,279,275	24.84	1,105,186	39.39
	<u>30,738,995</u>	<u>92.24</u>	<u>2,805,998</u>	<u>100.00</u>
<b>h Details of Preference shareholders holding more than 5% shares in the company:</b>				
i) 0.01% Compulsorily Convertible Non- cumulative Preference Shares - Series A				
Edelweiss Finance & Investments Limited	-	-	466,300	58.29
Edelweiss Commodities Services Limited	-	-	179,492	22.43
Edelweiss Securities Limited	-	-	154,208	19.28
	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>100.00</u>
ii) 0.01% Compulsorily Convertible Non- cumulative Preference Shares - Series B				
ECap Equities Limited	-	-	11,345,363	100.00
	<u>-</u>	<u>-</u>	<u>11,345,363</u>	<u>100.00</u>
iii) 0.01% Compulsorily Convertible Non- cumulative Preference Shares - Series C				
ECap Equities Limited	-	-	9,413,545	89.13
Edelweiss Commodities Services Limited	-	-	1,147,994	10.87
	<u>-</u>	<u>-</u>	<u>10,561,539</u>	<u>100.00</u>

	As at 31 March 2018	As at 31 March 2017
<b>2.2 Reserves and surplus</b>		
Capital Redemption Reserve	84,340,320	84,340,320
Securities Premium Account	2,461,531,900	2,461,531,900
Add : Additions during the year on account of Equity share issue	1,393,815,946	-
Add : Additions during the year on account of Debenture issue	9,118,334	-
Less: Reduction on account cancellation of Preference Shares acquired due to demerger (Refer note 2.56)	<u>111,912,000</u>	<u>-</u>
	<u>3,752,554,180</u>	<u>2,461,531,900</u>
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India (*)	534,555,978	441,936,840
Add : Additions during the year	<u>266,440,241</u>	<u>92,619,138</u>
	<u>800,996,219</u>	<u>534,555,978</u>
Surplus in statement of profit and loss		
Opening Balance	2,061,408,605	1,690,932,055
Add: Profit on account of demerger (Refer note 2.56)	286,006,643	-
Add: Profit for the year	<u>1,332,201,206</u>	<u>463,095,688</u>
Amount available for appropriation	<u>3,679,616,454</u>	<u>2,154,027,743</u>
Appropriations:		
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	<u>266,440,241</u>	<u>92,619,138</u>
	<u>3,413,176,213</u>	<u>2,061,408,605</u>
	<u>8,051,066,932</u>	<u>5,141,836,803</u>

(\*) Represents reserve created @ 20% of the profit after tax for the year as per the provisions of section 45-IC of the Reserve Bank of India Act, 1934

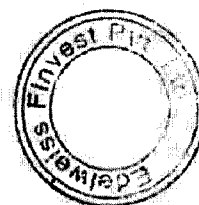
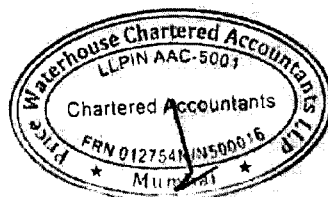


# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.3 Long-term borrowings</b>		
<u><b>Secured</b></u>		
Non-convertible redeemable debentures (refer note 2.40 & 2.41) (Secured by charge on immovable property and floating charge on loans and advances, stock-in-trade and corporate guarantee from holding company)	7,634,955,867	4,232,497,860
Term loans from bank (refer note 2.42) (First Pari Passu charge on the current assets of the Company which includes receivables current and future, stock-in-trade and cash and cash equivalents with Letter of Comfort)	325,000,030	-
<u><b>Unsecured</b></u>		
Non-convertible redeemable debentures (refer note 2.41)	901,368,288	508,500,000
Subordinated Debentures (refer note 2.41)	150,000,000	-
	<b>9,011,324,185</b>	<b>4,740,997,860</b>
<b>2.4 Other long term liabilities</b>		
Interest accrued but not due on borrowings	2,347,724,770	74,830,293
	<b>2,347,724,770</b>	<b>74,830,293</b>
<b>2.5 Long-term provisions</b>		
Provision for employee benefits		
Gratuity (Refer note 2.31)	1,806,801	730,978
Compensated leave absences	210,423	107,000
Others		
Provision for standard assets	20,871,117	2,330,300
Provision for non performing assets	251,446,000	-
	<b>274,334,341</b>	<b>3,168,278</b>

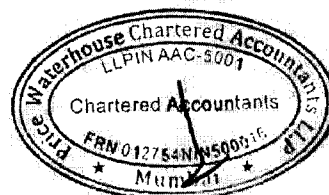
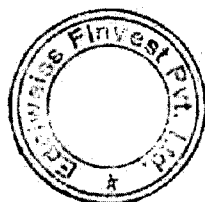


# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.6 Short-term borrowings</b>		
<u>Unsecured</u>		
Loans and advances from related parties (Refer note 2.29) (Repayable on demand, carry interest at 9% p.a.)	7,761,957,481	-
Inter Corporate loan (Repayable on demand, carry interest at 5.5% p.a.)	3,900,000	-
	<b>7,765,857,481</b>	<b>-</b>
<b>2.7 Trade payables</b>		
Payable to:		
-related parties	299,874,464	22,236,798
-others	45,685,916	30,874,794
(Includes sundry creditors and provision for expenses)		
	<b>345,560,380</b>	<b>53,111,592</b>
<b>2.8 Other Current Liabilities</b>		
Current maturities of Long Term Debt		
Term loan	100,000,000	-
Non-convertible debentures (refer note 2.40 & 2.41)	6,134,235,598	1,567,000,000
Compulsorily convertible debentures (refer note 2.29)	-	268,873,000
Interest accrued but not due on borrowings	859,875,556	17,078,157
Income received in advance	16,673,039	5,212,215
Premium payable on exchange traded options (including MTM)	10,561,268	5,627,378
Other Payables		
Accrued salaries and benefits	16,542,227	1,739,440
TDS, Goods and Service tax and other taxes payable	18,167,708	4,568,560
Book overdraft	-	6,909,021
Others	480,897	480,685
(There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at year end)		
	<b>7,156,536,293</b>	<b>1,877,488,456</b>
<b>2.9 Short-term provisions</b>		
Provision for employee benefits		
Gratuity (Refer note 2.31)	300,000	120,000
Compensated leave absences	40,000	19,000
Others		
Provision for standard assets	86,686,515	24,637,408
Provision for non performing assets	232,104,000	-
Provision for taxation (net of advance tax ₹. 672,507,917; Previous year ₹. 577,278,213)	252,976,732	42,592,423
	<b>572,107,247</b>	<b>67,368,831</b>





## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

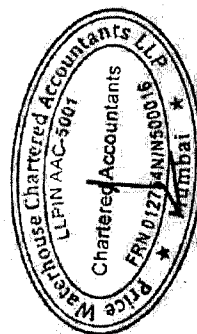
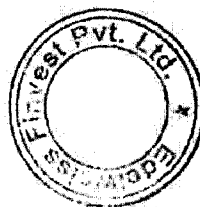
(Currency : Indian rupees)

#### 2.10 Fixed assets

Description of assets	As at 1 April 2017	Gross Block		As at 31 March 2018	As at 1 April 2017	Depreciation		As at 31 March 2018	Net Block As at 31 March 2018
		Additions during the year	Deductions during the year			Charge for the year	Deductions during the year		
Property, Plant and Equipment									
Building (Flat)*	1,359,412	-	-	1,359,412	260,201	54,960		315,161	1,044,251
Computer	41,765	142,161	-	183,926	41,765	53,275	-	95,040	88,886
Office equipment	25,450	-	25,450	-	21,290	1,002	22,292	-	-
Total	1,426,627	142,161	25,450	1,543,338	323,256	109,237	22,292	410,201	1,133,137

\* Mortgaged for Non convertible debentures

There are no adjustments on account of borrowing costs.



# **Edelweiss Finvest Private Limited**

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

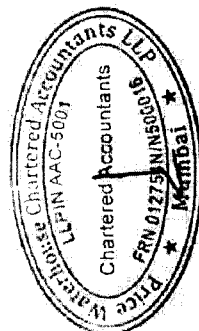
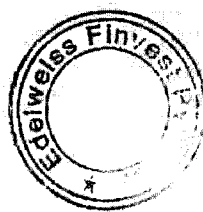
(Currency : Indian rupees)

### **2.10 Fixed assets (Previous year)**

Description of assets	Gross Block				Depreciation and amortisation		Net Block As at 31 March 2017		
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year during the year		As at 31 March 2017	
Property, Plant and Equipment									
Building (Flat)*	1,359,412	-	-	1,359,412	202,348	57,853	-	260,201	1,099,211
Computer	41,765	-	-	41,765	41,494	271	-	41,765	-
Office equipment	25,450	-	-	25,450	17,626	3,664	-	21,290	4,160
Total	1,426,627	-	-	1,426,627	261,468	61,788	-	323,256	1,103,371

\* Mortgaged for Non convertible debentures

There are no adjustments on account of borrowing costs.



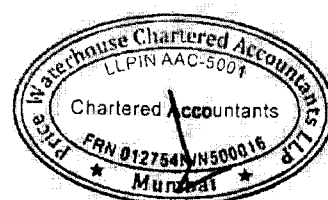
# **Edelweiss Finvest Private Limited**

Notes to the financial statements (continued)

(Currency: Indian rupees)

## **2.11 Non-current investments**

	As at 31 March 2018 (Audited)			As at 31 March 2017 (Audited)		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>I. Others (quoted)</b>						
(A) In equity instruments - Others (fully paid up)						
Gail (India) Limited	-	-	-	10	407,333	164,035,629
						164,035,629
<b>II. Others (unquoted)</b>						
(A) In equity instruments of fellow subsidiary companies (fully paid up)						
Edelweiss Retail Finance Limited	10	3,000,000	264,000,000	10	3,000,000	264,000,000
Edelweiss Asset Reconstruction Company Limited	10	15,254,350	326,142,279	10	15,254,550	326,142,279
			590,142,279			590,142,279
(B) In equity instruments of other companies (fully paid up)						
Tamilnad Mercantile Bank Limited	10	36,072	1,741,248	-	-	-
			1,741,248			-
(C) In units of fund of associate company						
Edelweiss Private Equity Tech fund	100,000	568.94	56,894,400	100,000	291.60	29,160,000
Edelweiss Value and Growth Fund	100,000	1,592.65	159,265,186	-	-	-
			216,159,586			29,160,000
(D) In securitisation trust securities						
EARC Trust SC 6 - Series I	1,000	218,500	117,544,235	1,000	218,500	117,544,235
EARC Trust SC 43 - Series I	1,000	54,000	54,000,000	1,000	54,000	54,000,000
EARC Trust SC 55 - Series I	1,000	46,800	46,800,000	1,000	46,800	46,800,000
EARC Trust SC 57 Series II	-	-	-	1,000	72,250	59,600,000
EARC Trust SC 109 - Series I	1,000	524,900	487,282,250	1,000	633,500	520,152,060
EARC Trust SC 112 - Series I	1,000	296,000	290,851,550	1,000	340,000	297,275,000
EARC Trust SC 177 - Series I	1,000	124,750	111,640,100	1,000	124,750	119,064,700
EARC Trust SC 229 - Series I	1,000	255,000	255,000,000	1,000	255,000	255,000,000
EARC Trust SC 245 - Series I	1,000	540,940	313,279,756	1,000	534,650	534,650,000
EARC Trust SC 262 - Series I	1,000	374,000	179,121,675	-	-	-
EARC Trust SC 297 - Series I	1,000	895,914	891,770,000	-	-	-
EARC Trust SC 327 - Series I	1,000	642,855	642,855,000	-	-	-
Edelweiss ARF-I Trust Scheme-1	1,000	56,728	46,990,360	-	-	-
Edelweiss ARF-I Trust Scheme-2	1,000	31,324	9,128,699	-	-	-
Edelweiss ARF-I Trust Scheme-3	1,000	43,899	43,896	-	-	-
Edelweiss ARF-I Trust Scheme-4	1,000	32,679	32,679	-	-	-
Edelweiss ARF-I Trust Scheme-5	1,000	35,370	35,370	-	-	-
EARC SAF -3 Trust - Series I	1,000	19,500	15,888,982	-	-	-
			3,462,264,552			2,004,085,995
Less : Provision for diminution in value of investments			57,829,765			-
			3,404,434,787			2,004,085,995
(E) In Units of Venture Fund						
KAE Capital Fund (India)	100,000	50.00	26,666,666	-	-	-
KAE Capital Fund II (India)	100,000	433.33	43,333,334	-	-	-
			70,000,000			-
(F) In other Instruments -Warrants						
Kompass Capital Advisors Private Limited	-	-	-	100	50,000	5,000,000
Bharti Shipyard Limited (Rs 5.5 paid up)	10	2,647,313	14,560,222	-	-	-
AT InvoFin India Private Limited (Rs 2.50 paid up)	10	320,000	20,000,000	-	-	-
			34,560,222			5,000,000
Less : Prov. for diminution in value of investments			20,000,000			-
			14,560,222			5,000,000
(G) In preference shares of companies (fully paid up)						
Zero coupon Series D non-cumulative compulsorily convertible preference shares of Bright Lifecare Private Limited	7,664	5,219	40,000,950	-	-	-
			40,000,950			-
			4,337,039,072			2,792,423,903
Aggregate amount of unquoted investment						
- At carrying value			4,337,039,072			2,628,388,274
Aggregate amount of quoted investment						
- At carrying value			-			164,035,629
- At market value			-			133,544,174
Aggregate amount of provision for diminution			77,829,765			-



# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency : Indian rupees)

### 2.12 Deferred taxes (net)

#### Deferred tax assets

Disallowances under section 43B of the Income Tax Act, 1961  
Provision for standard assets and non-performing assets  
On long term capital loss  
Provision for doubtful debts  
Unrealised loss on derivative transactions

As at  
31 March 2018

As at  
31 March 2017

815,835	338,132
191,691,604	9,333,524
17,388,936	-
20,014,882	-
1,901,422	4,935,997
<u>231,812,679</u>	<u>14,607,653</u>

#### Deferred tax liabilities

Unrealised gain on derivative transactions  
Difference between book and tax depreciation  
Others

679,436	9,891,871
73,778	83,332
-	8,499,627
<u>753,214</u>	<u>18,474,830</u>

#### Deferred tax asset (net)

<u>231,059,465</u>	<u>(3,867,177)</u>
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### 2.13 Long-term loans and advances

#### Secured

Receivable from financing business  
- considered good  
- considered non performing asset

4,953,579,495	482,596,000
251,446,000	-
<u>5,205,025,495</u>	<u>482,596,000</u>

#### Unsecured

Receivable from financing business  
- considered good

264,199,675	183,204,000
<u>264,199,675</u>	<u>183,204,000</u>

#### Other loans and advances

Advance income taxes (net of provision for taxation ₹ 357,113,240;  
(Previous year ₹ 251,915,839)

146,818,591	106,046,301
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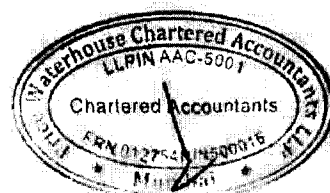
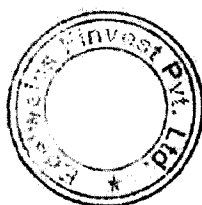
<u>5,616,043,761</u>	<u>771,846,301</u>
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### 2.14 Other non-current assets

Interest accrued but not due on loans given

206,767,206	96,005,916
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<u>206,767,206</u>	<u>96,005,916</u>
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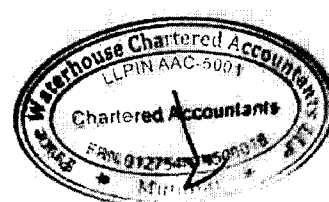


# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018			As at 31 March 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount
<b>2.15 Current investments - at lower of cost and fair value</b>						
<i>Investments in mutual funds - unquoted</i>						
Reliance Money Manager Fund - Direct - Growth	-	-	-	1,000	34,927	79,000,000
			<u>-</u>			<u>79,000,000</u>
<b>Aggregate value of current investments - unquoted</b>						
At carrying value			-			79,000,000
At market value			-			79,000,000
<b>2.16 Stock-in-trade</b>						
<b>(I) Equity shares (quoted)</b>	Face value	Quantity	Amount	Face value	Quantity	Amount
Hindustan Petroleum Corporation Limited	-	-	-	-	-	-
ICICI Securities Limited	10	192,304	99,998,080	10	1,260,000	662,319,000
<b>(II) Debentures and bonds (quoted)</b>						
<b>In follow subsidiary</b>						
10.60% ECL Finance Limited 11.03.2020 (Yearly)	1,000	315	307,761	-	-	-
11.85% ECL Finance Limited 28.01.2019 (Monthly Cumulative)	1,000	53,305	55,431,870	-	-	-
10.60% ECL Finance Limited 11.03.2020 (Yearly Cumulative)	1,000	7,471	7,553,181	-	-	-
<b>Others</b>						
<b>Credit Substitutes (quoted)</b>						
15.00% Pantaloon Industries Limited 31.03.2017	-	-	-	10,000,000	35	350,000,000
5.00% New Media Broadcasting Private Limited 18.02.2021	1,000,000	800	800,000,000	1,000,000	600	600,000,000
10.00% Abellon Energy Limited 02.06.2020	1,000,000	214	214,000,000	1,000,000	214	214,000,000
15.00% Future Corporate Resources Limited 31.03.2017	-	-	-	10,000,000	63	650,000,000
14.00% Parinee Realty Private Limited 15.01.2021	500,000	1,500	750,000,000	500,000	1,300	650,000,000
14.00% Empee Distilleries Limited 26.04.2021 Tranche 1	950,000	73	69,350,000	1,000,000	92	92,000,000
14.00% Empee Distilleries Limited 26.04.2021 Tranche 2	950,000	19	18,050,000	-	-	-
14.00% Shree Sukhakarta Developers Private Limited 30.06.2020	1,000,000	550	550,000,000	1,000,000	550	550,000,000
15.00% Ecstasy Realty Private Limited 28.03.2023	10,000,000	110	1,100,000,000	-	-	-
16.50% Kohinoor CTNL Infrastructure Co. Pvt. Ltd. 30.09.2020	1,000,000	552	552,000,000	-	-	-
14.00% Aliens Developers Private Limited 31.03.2022	1,000,000	138	138,000,000	-	-	-
<b>(III) Debentures and bonds (unquoted)</b>						
<b>Credit Substitutes</b>						
18.50% Manyata Developers Private Limited 30.06.2020	629,585	750	472,189,028	1,000,000	300	300,000,000
13.00% Parsvnath Developers Limited 15.04.2019	-	-	-	500,000	1,250	625,000,000
16.85% Rohan Developers Private Limited 31.03.2020	1,000,000	700	700,000,000	1,000,000	700	700,000,000
13.00% Aniline Construction Company Private Limited 30.09.2022	100,000	7,000	700,000,000	100,000	7,000	700,000,000
12.00% Dome Bell Electronics India Private Limited 29.03.2019	-	-	-	1,000,000	493	488,964,194
12.00% Gonibedu Coffee Estates Private Limited 29.05.2019	9,473,684	75	710,526,316	-	-	-
5.00% Dr. Agarwal's Health Care Limited 22.12.2022	62,500	4,638	289,875,000	-	-	-
15.00% Alok Knit Exports Private Limited 11.05.2020	7,236,200	80	578,896,000	-	-	-
17.00% AHA Holdings Private Limited 30.08.2022	1,000,000	500	500,000,000	-	-	-
12.25% Sprit Infrapower & Multiventures Pvt. Ltd. 21.09.2018	10,000,000	42	420,000,000	-	-	-
Reset Rate UM Autocomp Private Limited 29.02.2024	811,899	800	649,519,200	-	-	-
Reset Rate OPJ Trading Private Limited 03.09.2020	1,000,000	800	800,000,000	-	-	-
12.00% Azeem Infinite Dwelling India Pvt. Ltd. 21.08.2022 -Series 2	1,000,000	800	800,000,000	-	-	-
14.50% Renaissance Indus Infra Private Limited 21.09.2023	1,000,000	95	95,000,000	-	-	-
16.50% Easy Home Solutions Private Limited 11.01.2022	500,000	1,600	800,000,000	-	-	-
15.60% Gayatri Hotels and Theatres Private Limited 12.10.2021	1,000,000	800	800,000,000	-	-	-
17.00% Modella Textiles Industries Limited 30.11.2022	1,000,000	1,000	1,000,000,000	-	-	-
9.50% Aspen Infrastructures Limited 10.03.2019	10,000,000	85	850,000,000	-	-	-
10.00% Nirmal Lifestyle (Mulund) Private Limited 30.03.2023	1,000,000	805	805,000,000	-	-	-
14.50% Shree Naman Developers Private Limited 23.03.2021	500,000	2,100	1,050,000,000	-	-	-
12.00% Mohan Breweries and Distilleries Limited 30.10.2021	10,000,000	100	1,000,000,000	-	-	-
13.65% Future Capital Investment Private Limited 19.03.2021	1,000,000	720	720,000,000	-	-	-
13.65% Suhani Trading and Investment Consultants Pvt. Ltd.	1,000,000	1,100	1,100,000,000	-	-	-
17.92% Gmr Enterprises Private Limited 20.03.2022	1,000,000	750	750,000,000	-	-	-
14.00% Sai Ashray Developers Private Limited 28.03.2024	1,000,000	787	787,000,000	-	-	-
<b>(IV) Mutual funds (unquoted)</b>						
JM Equity Fund - Monthly Dividend Option -Payout	20.95	83,517,071	998,738,891	-	-	-
BOI Axa Treasury Advantage Fund - Direct Plan - Growth	2,125	235,293	500,000,000	-	-	-
			<u>22,231,435,327</u>			<u>6,582,283,194</u>
<b>Aggregate value of stock-in-trade in - quoted</b>						
At Carrying value			4,354,690,891			662,319,000
At Market value			4,354,690,891			677,115,150
<b>Aggregate of value stock-in-trade in - unquoted</b>						
At Carrying value			17,876,744,436			5,919,964,194
At Market value			17,876,744,436			5,919,964,194



## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

(Currency : Indian rupees)

#### 2.17 Trade receivables

Debtors outstanding for a period exceeding six months

- Unsecured, considered doubtful

Provision for doubtful debts

As at  
31 March 2018

As at  
31 March 2017

57,425,235

57,425,235

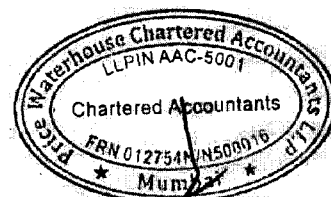
#### Other debts

- Unsecured, considered good

23,319,046

23,319,046

23,319,046

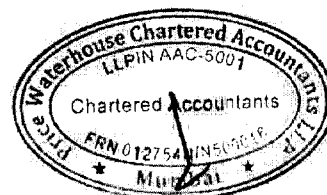
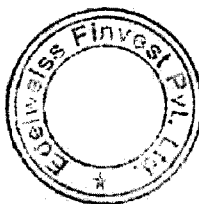


# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.18 Cash and bank balances</b>		
<b>Cash and Cash equivalents</b>		
Cash in hand	14,232	5,280
Balances with Banks		
- in current accounts	313,731,855	20,181,071
	<u>313,746,087</u>	<u>20,186,351</u>
<b>Other bank balances</b>		
- Short term deposits with banks (refer note 2.32)	50,000,000	50,000,000
(Other bank deposits with maturity less than 12 months)		
	<u>363,746,087</u>	<u>70,186,351</u>
<b>2.19 Short-term loans and advances</b>		
<u><b>Secured</b></u>		
Receivable from financing business		
- considered good	789,503,928	701,300,000
- considered non performing asset	232,104,000	-
	<u>1,021,607,928</u>	<u>701,300,000</u>
<u><b>Unsecured - Considered good</b></u>		
Loans and advances to related parties (Refer note 2.29)	-	415,269,500
Receivable from financing business	308,379,688	2,725,731
Other loans and advances		
Prepaid expenses	496,623	28,819
Loans and advances to employees	8,000	-
Vendor Advances	2,699,847	1,040,271
Input tax credit	55,691,370	7,969,427
	<u>1,388,883,456</u>	<u>1,128,333,748</u>
<b>2.20 Other Current Assets</b>		
Accrued interest on fixed deposits	8,816	8,816
Accrued interest on loans given	6,336,911	14,884,944
Accrued interest on debt instruments	149,158,064	-
Interest accrued but not due on loans given	303,864,940	48,632,591
Interest accrued but not due on debt instruments	818,593,930	334,448,160
Mark to market on benchmark linked debentures	75,229,081	-
Premium paid on outstanding exchange traded options	29,922	-
Margin placed with broker	105,122,158	282,179,830
Other receivables	-	16,461,165
	<u>1,458,343,822</u>	<u>696,615,506</u>

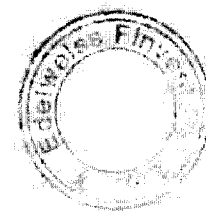
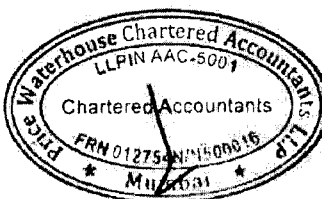


## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.21 Fee and commission income</b>		
Loan processing and other fees	87,465,526	-
	<u>87,465,526</u>	<u>-</u>
<b>2.22 Income from treasury operations and investments</b>		
Profit / (loss) on trading of securities (net) (Refer note 2.43)	(486,427,963)	(13,514,130)
Profit on trading in Equity Derivative Instruments (net)	(49,649,824)	18,352,216
Cost of benchmark linked debenture	(690,651,554)	(69,625,017)
Profit / (loss) on sale of current investments (net)	2,922,266	(12,313,436)
Profit on sale of non current investments	513,275,158	-
Dividend on current investments	762,148,735	71,148,000
	<u>51,616,818</u>	<u>(5,952,367)</u>
<b>2.23 Interest income</b>		
On loans and credit substitutes	3,174,554,879	1,100,913,915
On fixed deposits	4,054,434	4,135,009
On margin with brokers	3,456,607	413,313
On investment in security receipts	5,956,800	-
On others	253,695	1,171
	<u>3,188,276,415</u>	<u>1,105,463,408</u>
<b>2.24 Other income</b>		
Miscellaneous income	-	20,225
	<u>-</u>	<u>20,225</u>





# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

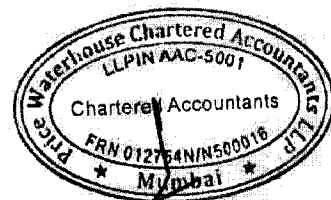
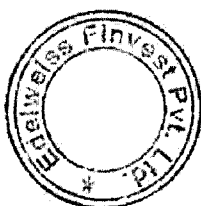
(Currency : Indian rupees)

### 2.25 Employee benefit expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	33,251,619	5,144,414
Contribution to provident and other funds (Refer note 2.31)	869,248	193,474
Staff welfare expenses	327,658	80,020
	<u>34,448,525</u>	<u>5,417,908</u>

### 2.26 Finance costs

Interest on debentures	229,585,410	45,709,166
Interest on Inter-corporate loan	214,500	-
Interest on subordinated debentures	16,635,616	-
Interest on term loan	31,226,179	-
Interest on loan from ultimate holding company (Refer note 2.29)	-	318,722
Interest on loan from fellow subsidiaries (Refer note 2.29)	161,103,567	266,167,021
Interest on late payment of taxes	9,244,693	5,028,021
Other borrowing cost	115,063,534	46,708,712
	<u>563,073,499</u>	<u>363,931,642</u>



## Edelweiss Finvest Private Limited

### Notes to the financial statements (continued)

(Currency : Indian rupees)

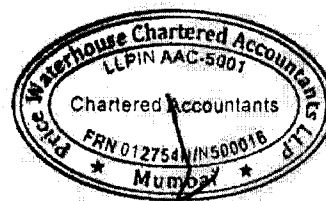
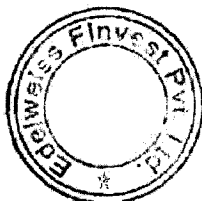
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.27 Other expenses</b>		
Advertisement and business promotion	266,316	4,807
Auditors' remuneration (refer note below)	1,786,289	1,067,110
Bad- debts and advances written off	290,800,000	-
Commission and brokerage	9,955,451	-
Communication	727,317	111,687
Computer software	490,094	-
Clearing & custodian charges	155,512	64,019
Diminution in value of non-current investments	57,829,765	-
Directors' sitting fees	260,000	150,000
Electricity charges (Refer note 2.58)	644,690	61,697
Housekeeping charges	38,172	-
Insurance	24,044	674
Legal and professional fees	119,595,540	25,052,074
Loss on sale/ write-off of fixed assets (net)	3,393	-
Membership and Subscription	96,150	13,326
Office expenses	64,378	-
Printing and stationery	97,870	18,419
Provision for standard assets	67,837,979	12,092,839
Provision for non performing asset	483,550,000	-
Provision for doubtful debts	22,180	-
Rates and taxes	5,967,935	4,156,268
Rating Support Fees (Refer note 2.29)	213,737	2,900,000
Rent (Refer note 2.29)	1,365,092	320,749
Repairs and maintenance - others	468,497	5,000
ROC Expenses	53,375	-
Seminar & Conference	15,637	-
Service tax expenses	(24,540,809)	2,065,618
Stamp duty	15,742,369	1,602,141
Stock exchange expenses	2,478	-
Travelling and conveyance	480,632	89,790
Miscellaneous expenses	869,145	38,150

<b>1,034,883,228</b>	<b>49,814,368</b>
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#### Auditors' Remuneration:

As Auditor	1,260,178	996,180
Towards Reimbursement of Expenses	526,111	70,930

<b>1,786,289</b>	<b>1,067,110</b>
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# Edelweiss Finvest Private Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.28 Segment reporting

#### Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and Retail financing

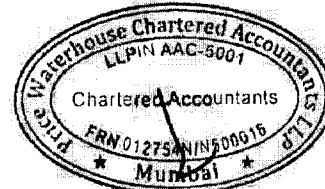
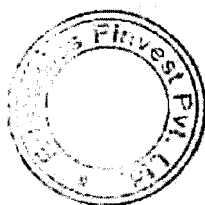
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

#### Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Accounting Standard-17 on Segment Reporting

Particulars	As at/ For the year ended 31 March 2018	As at/ For the year ended 31 March 2017
<b>I Segment Revenue</b>		
a) Capital based business	801,929,429	63,672,650
b) Financing business	2,525,429,330	1,035,858,616
c) Unallocated	-	-
<b>Total Income</b>	<b>3,327,358,759</b>	<b>1,099,531,266</b>
<b>II Segment Results</b>		
a) Capital based business	605,290,056	62,537,572
b) Financing business	1,098,798,907	622,796,009
c) Unallocated	(9,244,693)	(5,028,021)
<b>Profit before taxation</b>	<b>1,694,844,270</b>	<b>680,305,560</b>
Less : Provision for taxation	362,643,064	217,209,872
<b>Profit after taxation</b>	<b>1,332,201,206</b>	<b>463,095,688</b>
<b>III Segment Assets</b>		
a) Capital based business	5,999,290,153	3,533,742,903
b) Financing business	29,480,602,168	8,578,009,087
c) Unallocated	377,878,057	106,046,300
<b>Total</b>	<b>35,857,770,378</b>	<b>12,217,798,290</b>
<b>IV Segment Liabilities</b>		
a) Capital based business	4,925,446,416	715,318
b) Financing business	22,295,021,549	6,773,657,569
c) Unallocated	252,976,733	46,459,600
<b>Total</b>	<b>27,473,444,698</b>	<b>6,820,832,487</b>
<b>V Capital expenditure</b>		
a) Capital based business	7,108	-
b) Financing business	127,945	-
c) Unallocated	7,108	-
<b>Total</b>	<b>142,161</b>	<b>-</b>
<b>VI Depreciation and amortisation</b>		
a) Capital based business	20,484	-
b) Financing business	88,753	61,788
c) Unallocated	-	-
<b>Total</b>	<b>109,237</b>	<b>61,788</b>
<b>VII Significant non-cash expenses other than depreciation and amortisation</b>		
a) Capital based business	58,085,737	18,961
b) Financing business	843,297,067	12,044,852
c) Unallocated	-	-
<b>Total</b>	<b>901,382,804</b>	<b>12,063,813</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

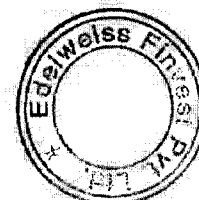
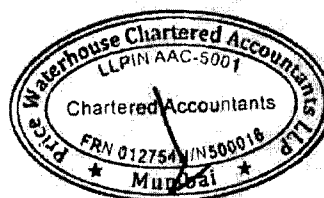
## 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure"

### i. List of related parties and relationship:

Names of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate Holding company)
Holding Company	ECap Equities Limited
Enterprises which exercise significant influence over the Company	Edelweiss Securities Limited
Fellow subsidiaries with whom the transactions have taken place	Edelweiss Asset Reconstruction Company Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Global Wealth Management Limited Edelweiss Finance & Investments Limited Edelweiss Commodities Services Limited Burlington Business Solutions Limited Edelweiss Custodial Services Limited Edelweiss Business Services Limited Edelweiss Retail Finance Limited Eternity Business Centre Limited Edelweiss Business Services Limited Auris Corporate Centre Limited Edelweiss Securities Limited Edelweiss Broking Limited Edel Commodities Limited EFSL Trading Limited ECL Finance Limited EW Clover Scheme I
Associates	Edelweiss Private Equity Tech fund Edelweiss Value and Growth Fund
Key Management Personnel (KMP) (with whom transactions have taken place)	Bhavin N Mehta

### ii Transactions with related parties:

Sr. No.	Nature of Transaction	Related Party Name	2017-18	2016-17
<b>(I) Capital account transactions</b>				
1	Investments in equity shares of	Edelweiss Retail Finance Limited	-	264,000,000
		Edelweiss Asset Reconstruction Company Limited	-	326,142,279
2	Investments in units of	Edelweiss Private Equity Tech fund	27,734,400	29,160,000
		Edelweiss Value and Growth Fund	159,265,186	-
3	Purchase of investment from	Edelweiss Finance & Investments Limited	-	181,605,000
4	Sale of investment to	ECap Equities Limited	-	181,605,000
5	Conversion of Compulsorily convertible non-cumulative preference shares by	Edelweiss Commodities Services Limited	13,274,860	-
		Edelweiss Securities Limited	1,542,080	-
		ECap Equities Limited	207,589,080	-
6	Compulsorily Convertible Debentures redeemed to	ECap Equities Limited	268,873,000	-



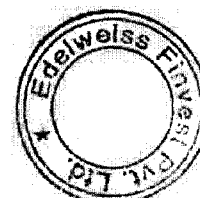
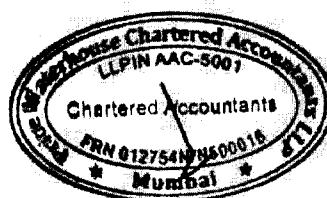
# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" (Continued)

(II) Current account transactions			
1	Short term loans taken from (Refer note 1)	Edelweiss Commodities Services Limited	25,454,759,000 24,865,494,777
2	Short term loans repaid to (Refer note 1)	Edelweiss Financial Services Limited	- 13,400,000
		Edelweiss Commodities Services Limited	17,692,801,519 24,866,640,735
3	Short term loans given to (Refer note 1)	ECL Finance Limited	- 60,342,429
		Edelweiss Commodities Services Limited	3,743,027,000 2,840,400,000
		Edelcap Securities Limited	924,180,000 529,788,000
		Edelweiss Finance & Investments Limited	648,843,546 -
		EW Clover Scheme I	- 490,000,000
		Edel Commodities Limited	- 1,024,400,000
4	Short term loans given repaid by (Refer note 1)	Edelweiss Commodities Services Limited	4,147,309,000 2,436,118,500
		Edelcap Securities Limited	930,768,000 740,000,000
		ECL Finance Limited	- 208,042,429
		Edelweiss Finance & Investments Limited	648,843,546 -
		EW Clover Scheme I	- 490,000,000
		Edel Commodities Limited	4,400,000 1,020,000,000
5	Interest expense on loans taken from	Edelweiss Financial Services Limited	- 318,722
		Edelweiss Commodities Services Limited	161,103,567 266,167,021
6	Interest expense on debentures	Ecap Equities Limited	38,684,840 45,708,409
7	Interest income on short term loan from	Edelcap Securities Limited	91,183,071 48,364,959
		Edelweiss Commodities Services Limited	171,201,704 38,570,620
		ECL Finance Limited	- 6,992,013
		Edelweiss Finance & Investments Limited	34,161,914 -
		EW Clover Scheme I	177,534 -
		Edel Commodities Limited	377,074 8,460,030
8	Interest income on margin from	Edelweiss Securities Limited	16,109 52,533
		Edelweiss Custodial Services Limited	3,120,973 360,780
9	Legal and professional fees paid to	Edelweiss Business Services Limited	19,157,044 -
		ECL Finance Limited	45,290,626 -
		Edelweiss Alternative Asset Advisors Limited	38,703,000 -
		Edelweiss Asset Reconstruction Company Limited	8,171,885 -
10	Margin placed with broker	Edelweiss Custodial Services Limited	11,066,003 335,251,545
		Edelweiss Securities Limited	352,978,569 52,309,489
11	Margin withdrawn from broker	Edelweiss Custodial Services Limited	277,607,798 53,324,681
		Edelcap Securities Limited	367,852,450 52,056,525
12	Reimbursements paid to	Edelweiss Financial Services Limited	110,516 8,907,111
		Edelweiss Business Services Limited	- 4,803,710
		Edelweiss Commodities Services Limited	448,179 920,814
		ECL Finance Limited	61,432 22,110,366
		Edelweiss Broking Limited	- 112,115
		Edelweiss Securities Limited	1,852 -
		EFSL Trading Limited	12,292 -
		Eternity Business Centre Limited	9,654 -
		Ecap Equities Limited	10,961 -
13	Rent paid to	Edelweiss Commodities Services Limited	961,783 238,087
		Edelweiss Broking Limited	101,986 82,662
		Ecap Equities Limited	149,210 -
		ECL Finance Limited	109,984 -
		Burlington Business Solutions Limited	28,828 -
		Eternity Business Centre Limited	11,689 -
		Auris Corporate Centre Limited	1,612 -
14	Rating Support fees paid to	Edelweiss Financial Services Limited	213,737 2,900,000



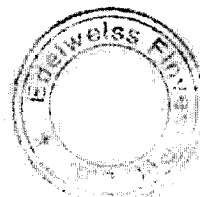
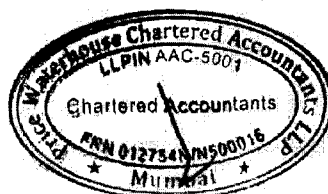
# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" (Continued)

<b>(II) Current account transactions (continued)</b>			
15 Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	79,784,000	-
16 Commission and Sub-brokerage paid to	Edelweiss Securities Limited	1,121,785	251,513
	Edelweiss Global Wealth Management Limited	9,909,872	-
17 Clearing charges paid to	Edelweiss Securities Limited	-	10,000
	Edelweiss Custodial Services Limited	110,000	20,000
18 Remuneration to Key Management Personnel (Refer note 2)	Bhavin N Mehta	1,762,768	1,181,688
19 Purchase of securities receipts from	ECL Finance Limited	-	2,004,085,995
<b>(II) Secondary market transactions</b>			
1 Sale of securities (Stock in trade) to	ECL Finance Limited	641,308,987	414,408,219
	Edelweiss Finance & Investments Limited	668,806,904	-
	Edelweiss Commodities Services Limited	83,819,602	-
2 Purchase of securities (Stock in trade) from	ECL Finance Limited	245,166,438	689,280,822
	Ecap Equities Limited	1,012,268,493	-
	Edelweiss Finance & Investments Limited	480,147,500	-
	Edelweiss Commodities Services Limited	2,501,530,672	1,276,758,698
<b>(III) Balances with related parties</b>			
1 Investments in equity shares	Edelweiss Retail Finance Limited	264,000,000	264,000,000
	Edelweiss Asset Reconstruction Company Limited	326,142,279	326,142,279
2 Investments in units of	Edelweiss Private Equity Tech fund	56,894,400	29,160,000
	Edelweiss Value and Growth Fund	159,265,186	-
3 Compulsorily Convertible Debentures	Ecap Equities Limited	-	268,873,000
4 Debenture and bonds (Stock in trade) of	ECL Finance Limited	63,292,811	-
5 Non-convertible redeemable debentures	Ecap Equities Limited	3,302,637,945	-
	Edelweiss Commodities Services Limited	55,000,000	-
6 Short term loans taken from	Edelweiss Commodities Services Limited	7,761,957,481	-
7 Short term loans given to	Edelcap Securities Limited	-	6,588,000
	Edelweiss Commodities Services Limited	-	404,281,500
	Edel Commodities Limited	-	4,400,000
8 Trade Payables to	Edelweiss Financial Services Limited	90,895,755	-
	Edelweiss Business Services Limited	8,587,188	130,116
	Edelweiss Securities Limited	94,130,307	-
	ECL Finance Limited	48,917,558	22,106,683
	Ecap Equities Limited	173,861	-
	Edelweiss Alternative Asset Advisors Limited	44,092,349	-
	Edelweiss Global Wealth Management Limited	4,051,999	-
	Edelweiss Finance & Investments Limited	199,811	-
	Edelweiss Asset Reconstruction Company Limited	8,825,636	-
9 Other receivables from	ECL Finance Limited	8,000	-
	Edelweiss Securities Limited	944,000	16,348,762
	Edelweiss Custodial Services Limited	779,498	-
	Edelweiss Commodities Services Limited	35,000	-
10 Interest accrued but not due on debentures and bonds of	ECL Finance Limited	34,494,615	-
11 Interest accrued but not due on borrowings	Ecap Equities Limited	-	22,791,590
12 Margin placed with broker	Edelweiss Custodial Services Limited	59,397,471	281,926,864
	Edelweiss Securities Limited	1,329,072	252,965
13 Corporate Guarantee taken from	Edelweiss Financial Services Limited	8,492,500,000	6,223,200,000



## Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.29 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" (Continued)

#### Note

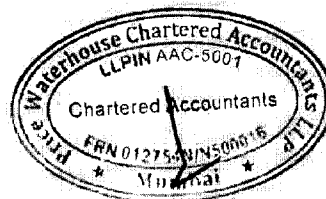
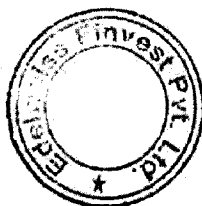
- 1 The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.
- 2 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.
- 3 Previous year's figures have been recast/restated where necessary.
- 4 Loan given to fellow subsidiaries are for general corporate business.
- 5 Remuneration to KMP's shall be within the limit as prescribed by the Companies act.
- 6 The above list contain name of only those related parties with whom the Company has undertaken transactions during the year ended 31 March 2018.

### 2.30 Earnings per share

In accordance with Accounting Standard 20 on earnings per shares as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

Particulars	Year ended	Year ended
	31-Mar-18	31-Mar-17
a) Shareholders earnings (as per statement of profit and loss)	1,332,201,206	463,095,688
b) Calculation of weighted average number of equity shares of ₹ 10 each:		
- Number of equity shares outstanding at the beginning of the year	2,805,998	2,805,998
- Number of equity shares issued during the year	30,519,877	-
Total number of equity shares outstanding at the end of the year	33,325,875	2,805,998
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	11,258,656	2,805,998
c) Weighted average number of diluted equity shares	11,258,656	27,663,884
d) Adjusted net profit for diluted EPS	1,332,201,206	493,267,809
e) Basic earnings per share (in ₹) (a/b)	118.33	165.04
d) Diluted earnings per share (in ₹) (d/c)	118.33	18.15

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at 31 March 2018. (Previous year, dilution in earnings per share was on account of Compulsorily convertible non- cumulative preference shares and Compulsorily convertible debentures).



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.31 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits

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

Amount of ₹ 545,216 (Previous year: ₹ 272,364) is recognised as expenses and included in "Employee benefit expenses"

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

The following tables summarize the components of the net benefit expenses recognised in the profit and loss account and the fund status and amount recognised in the balance sheet for the gratuity benefit plan

#### Statement of profit and loss

##### Expenses recognised in the Statement of Profit and Loss

	2018	2017
Current service cost	209,000	86,000
Interest cost	125,823	68,110
Actuarial (gain) or losses	(78,000)	(233,000)
Employer expense	256,823	(78,890)

#### Balance Sheet

##### Reconciliation of Defined Benefit Obligation (DBO)

	2018	2017
Present value of DBO at start of year	850,978	1,045,868
Transfer in / (out)	999,000	(116,000)
Current service cost	209,000	86,000
Interest cost	125,823	68,110
Benefits Paid	-	-
Actuarial (Gain) / Loss	(78,000)	(233,000)
Present value of DBO at end of year	2,106,801	850,978

##### Net liability / (Asset) recognised in the Balance Sheet

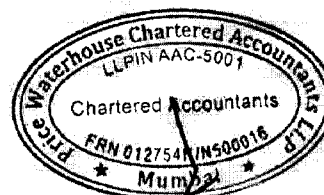
	2018	2017
Present value of DBO	2,106,801	850,978
Fair value of Plan Assets	-	-
Net liability / (Assets)	2,106,801	850,978
Less: Unrecognised Past service cost	-	-
Liability / (Assets) recognised in the Balance Sheet	2,106,801	850,978
Of which, Short term provision	300,000	120,000

#### Experience Adjustment :

Particulars	2018	2017	2016	2015	2014
Defined Benefit Obligation	2,106,801	850,978	1,045,868	1,315,409	360,000
Fair value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	2,106,801	850,978	1,045,868	1,315,409	360,000
Experience Adjustment on Plan Liabilities:					
(Gain)/Loss	(9,000)	(265,000)	(1,169,000)	327,000	39,000
Experience Adjustment on Plan Assets:					
Gain/(Loss)	-	-	-	-	-

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

	2018	2017
Discount rate	7.30%	6.80%
Salary growth rate	7.00%	7.00%
Employee attrition rate (based on categories)	13%-25%	13%-25%
Mortality rate	IALM 2006-08 (Ult.)	
Expected average remaining working lives of employee	6 years	6 years





# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.32 Encumbrances' on fixed deposits held by the Company

i) RBL Bank Limited: ₹ 50,000,000 (Previous year: ₹ 50,000,000) against overdraft facility.

## 2.33 Open interests equity index futures / equity stock futures have open interests as on the balance sheet date 31 March 2018

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	-	-	519	38,925
Stock future	< 1 month	361	379,975	-	-

Open interests equity index futures / equity stock futures have open interests as on the balance sheet date 31 March 2017

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	981	73,575	-	-
Nifty	1-2 months	64	4,800	-	-
Stock future	< 1 month	804	1,668,000	-	-

Option contracts are outstanding as on balance sheet date

Option Type	31 March 2018		31 March 2017	
	Premium paid (Net of provision made)	Premium received (Net of provision made)	Premium paid (Net of provision made)	Premium received (Net of provision made)
Equity Index	29,922	10,561,268	-	5,627,378

## 2.34 Contingent liabilities and commitments

### i) Contingent liabilities

a) Taxation matters of Assessment Year 2014-15 in respect of which appeal is pending ₹ 46,380,247 (Previous year: Nil).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income tax, service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

### ii) Commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 1,955,000 (Previous year: Nil).

b) Undrawn committed credit lines (subject to meeting of conditions) of ₹ 828,115,525 (Previous year: Nil).

c) Uncalled liabilities on non-current investments of ₹ 269,840,415 (Previous year ₹ 132,840,000).

2.35 The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favorable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote

## 2.36 Details of dues to micro and small enterprises

Trade Payables includes Nil (Previous year: Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

## 2.37 Operating leases

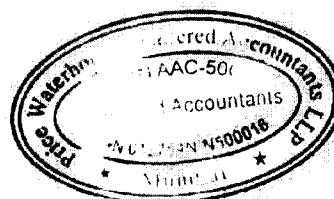
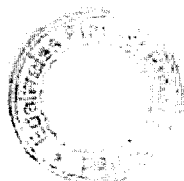
The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2018 aggregated to ₹ 1,365,092 (Previous year: ₹ 320,749) which has been included under the head other expenses – Rent in the Statement of profit and loss.

## 2.38 Details of transaction with non executive directors

The Company has not undertaken any transaction with its non-executive directors during the year ended 31 March 2018 (Previous year: Nil).

## 2.39 Foreign currency transactions

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2018 (Previous year: Nil).



## Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.40 Details of Secured Debentures

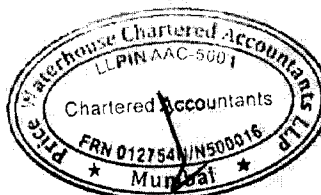
- The Company has an asset cover in excess of 100% in accordance with the terms of the trust deed in respect of listed Secured Redeemable Non-convertible Debentures aggregating to ₹ 13,561,928,520 (Previous year ₹ 5,799,497,860) by way of charge on immovable property, floating charge on movable properties in the form of stock-in-trade, receivables from financing business and corporate guarantee from holding company.
- In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.
- Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

### 2.41 Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below

As at 31 March 2018

Secured Debentures			Unsecured Debentures		
Maturity	Rate of Interest		Maturity	Rate of Interest	
	Benchmark Linked Debentures*	9.10%		Benchmark Linked Debentures*	11.00%
June-2027	67,769,481	-	January-2028	447,883,159	-
March-2024	166,127,167	-	January-2027	16,013,149	-
September-2022	-	3,471,973,407	July-2025	-	150,000,000
May-2022	2,643,057	-	February-2022	6,697,061	-
March-2022	1,879,279	-	January-2022	19,202,857	-
February-2022	429,029,099	-	December-2020	15,103,748	-
January-2022	10,266,799	-	November-2020	7,644,540	-
September-2021	148,592,710	-	October-2020	25,073,502	-
July-2021	64,870,730	-	September-2020	7,780,156	-
January-2021	7,550,215	-	August-2020	297,832,162	-
December-2020	9,149,989	-	March-2020	40,828,920	-
October-2020	44,601,249	-	September-2019	8,631,199	-
September-2020	253,515,991	-	August-2019	8,677,837	-
August-2020	85,153,490	-	September-2018	14,336,057	-
July-2020	355,308,700	-	August-2018	192,926,887	-
June-2020	437,741,032	-			
May-2020	95,988,462	-			
March-2020	161,831,850	-			
February-2020	108,203,532	-			
January-2020	151,320,393	-			
November-2019	30,470,194	-			
October-2019	83,317,020	-			
September-2019	161,184,380	-			
August-2019	199,918,321	-			
July-2019	261,961,923	-			
June-2019	104,639,187	-			
May-2019	587,617,840	-			
April-2019	132,330,368	-			
March-2019	306,530,767	-			
February-2019	43,222,215	-			
January-2019	129,065,209	-			
December-2018	300,122,511	-			
November-2018	25,049,850	-			
October-2018	1,045,642,083	-			
September-2018	388,452,035	-			
August-2018	2,261,095,976	-			
July-2018	532,988,282	-			
June-2018	258,470,623	-			
May-2018	547,934,879	-			
April-2018	88,398,225	-			
<b>Total</b>	<b>10,089,955,113</b>	<b>3,471,973,407</b>	<b>Total</b>	<b>1,108,631,234</b>	<b>150,000,000</b>

\*Benchmarked Linked debentures have various rate of interest linked with Nifty.



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.41 Maturity profile and rate of interest of Long term including Current maturity of long term Non Convertible Debentures are as set out below (continued)

As at 31 March 2017

Secured Debentures		Unsecured Debentures		
Maturity	Rate of Interest Benchmark Linked Debentures*	Maturity	Rate of Interest Benchmark Linked Debentures*	17.00%
March-2024	300,000,000	January-2027	40,000,000	-
February-2022	12,500,000	February-2022	10,000,000	-
January-2022	15,000,000	January-2022	28,500,000	-
September-2021	50,000,000	August-2020	380,000,000	-
September-2020	50,000,000	March-2020	50,000,000	-
August-2020	10,000,000	December-2017	-	268,873,000
July-2020	364,000,000			
June-2020	544,325,756			
May-2020	119,000,000			
April-2020	10,000,000			
March-2020	192,933,700			
February-2020	130,553,412			
November-2019	30,000,000			
July-2019	60,024,795			
June-2019	80,000,000			
May-2019	587,660,197			
April-2019	34,000,000			
March-2019	151,500,000			
January-2019	60,000,000			
December-2018	302,500,000			
November-2018	10,000,000			
September-2018	41,000,000			
August-2018	27,500,000			
July-2018	370,000,000			
June-2018	185,000,000			
May-2018	475,000,000			
April-2018	20,000,000			
March-2018	1,270,000,000			
January-2018	287,000,000			
October-2017	10,000,000			
<b>Total</b>	<b>5,799,497,860</b>	<b>Total</b>	<b>508,500,000</b>	<b>268,873,000</b>

\*Benchmarked Linked debentures have various rate of interest linked with Nifty.

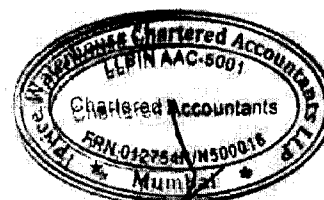
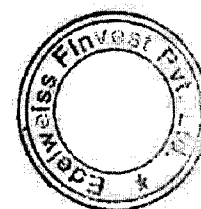
## 2.42 Details of the secured loan taken from Bank

As at March 31 2018

Maturity	Rate of Interest -
	8.55%
June-2022	25,000,000
March-2022	25,000,000
December-2021	25,000,000
September-2021	25,000,000
June-2021	25,000,000
March-2021	25,000,000
December-2020	25,000,000
September-2020	25,000,000
June-2020	25,000,000
March-2020	25,000,000
December-2019	25,000,000
September-2019	25,000,000
June-2019	25,000,000
March-2019	25,000,000
December-2018	25,000,000
September-2018	25,000,000
June-2018	25,000,030
<b>Total</b>	<b>425,000,030</b>

Above term loan is secured by charge on receivables from financing business.

As at March 31 2017 : Nil



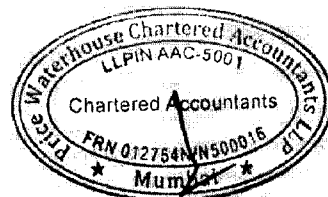
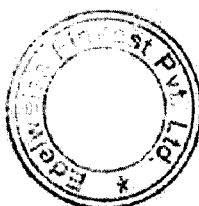
# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.43 Details of purchase, sale and change in stock in trade

	2018	2,017
<b>Opening stock</b>		
Equity shares	662,319,000	-
Preference shares	-	-
Debt instruments	5,919,964,194	1,650,000,000
Mutual Fund	-	-
<b>Total</b>	<b>6,582,283,194</b>	<b>1,650,000,000</b>
<b>Purchase</b>		
Equity shares	1,849,797,242	1,480,191,820
Preference shares	179,170,514	-
Debt instruments	21,705,388,972	4,669,974,209
Mutual Fund	98,490,500,000	-
<b>Total</b>	<b>122,224,856,728</b>	<b>6,150,166,029</b>
<b>Sales</b>		
Equity shares	2,596,824,054	804,358,690
Preference shares	182,237,583	-
Debt instruments	7,040,524,300	400,010,015
Mutual Fund	96,269,690,696	-
<b>Total</b>	<b>106,089,276,632</b>	<b>1,204,368,705</b>
<b>Closing stock</b>		
Equity shares	99,998,080	662,319,000
Preference shares	-	-
Debt instruments	20,632,698,355	5,919,964,194
Mutual Fund	1,498,738,892	-
<b>Total</b>	<b>22,231,435,327</b>	<b>6,582,283,194</b>
<b>Profit/(loss) on sale of securities</b>	<b>(486,427,963)</b>	<b>(13,514,130)</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 2.44 Investments

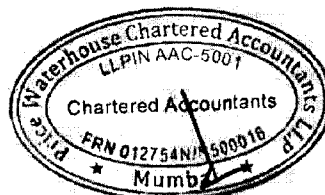
	2018	2017
<b>1) Value of Investments</b>		
i) Gross Value of Investments		
a) In India	4,414,868,836	2,871,423,903
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	77,829,765	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	4,337,039,072	2,871,423,903
b) Outside India	-	-
<b>2) Movement of provisions held towards depreciation on investments.</b>		
i) Opening balance	-	-
ii) Add : Provisions made during the year	77,829,765	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	77,829,765	-

## 2.45 Capital to Risk Assets Ratio (CRAR)

	2018	2017
i) CRAR (%)	23.10%	42.26%
ii) CRAR - Tier I capital (%)	22.36%	42.03%
iii) CRAR - Tier II Capital (%)	0.74%	0.23%
iv) Amount of subordinated debt raised as Tier-II capital	150,000,000	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

## 2.46 Exposure to real estate sector, both direct and indirect

	2018	2017
<b>A Direct Exposure</b>		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to ₹.15 lakhs may be shown separately)	-	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	17,230,148,788	4,517,100,000
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
<b>B Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
<b>C Others (not covered above)</b>	-	-



## Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.47 Exposure to Capital Market

	2018	2017
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1,091,883,527	1,416,496,908
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	971,925,736	225,731
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	7,426,971,436	2,677,964,194
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	286,159,586	-
ix) others (not covered above)	-	-

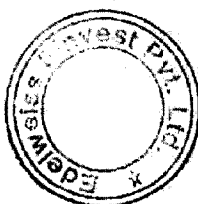
### 2.48 Asset Liability Management -Maturity pattern of certain items of assets and liabilities

As at 31 March 2018

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter-corporate loan	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	-	188,398,226	-	406,770,965	-	-
Over One months to 2 months	-	547,934,879	-	5,056,917	-	-
Over 2 months up to 3 months	25,000,000	758,470,623	-	364,877,478	-	-
Over 3 months to 6 months	25,000,000	3,589,799,239	-	14,951,765	-	-
Over 6 months to 1 year	50,000,000	8,813,197,202	3,900,000	538,330,491	-	22,231,435,327
Over 1 year to 3 years	200,000,000	3,681,769,110	-	4,586,725,170	-	-
Over 3 years to 5 years	125,000,030	4,155,155,000	-	162,500,000	-	-
Over 5 years	-	847,792,956	-	720,000,000	4,337,039,072	-
Total	425,000,030	22,582,517,235	3,900,000	6,799,212,786	4,337,039,072	22,231,435,327

As at 31 March 2017

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Inter-corporate loan	Loans and Advances	Investments	Stock in Trade
1 day to 30/31 days (One month)	-	-	-	23,225,731	35,000,000	-
Over One months to 2 months	-	-	-	-	-	-
Over 2 months up to 3 months	-	-	-	-	-	-
Over 3 months to 6 months	-	-	-	703,800,000	25,000,000	-
Over 6 months to 1 year	-	1,835,873,000	-	392,269,500	19,000,000	6,582,283,194
Over 1 year to 3 years	-	2,807,672,104	-	290,800,000	-	-
Over 3 years to 5 years	-	1,593,325,756	-	375,000,000	-	-
Over 5 years	-	340,000,000	-	-	2,792,423,903	-
Total	-	6,576,870,860	-	1,785,095,231	2,871,423,903	6,582,283,194



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

## 2.49 Movements in Non Performing Advances:

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

	2018	2017
i) Net NPAs to Net advances (%)	0.00%	0.00%
ii) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	1,146,150,000	-
c) Reductions during the year*	662,600,000	-
d) Closing balance	483,550,000	-
iii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iv) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	1,146,150,000	-
c) Reductions during the year	662,600,000	-
d) Closing balance	483,550,000	-

\* Includes NPA written off during the year ₹ 290,800,000 million (Previous year: Nil)

## 2.50 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown in the Statement of Profit and loss	2018	2017
i) Provisions for depreciation on Investment	57,829,765	-
ii) Provision towards NPA	483,550,000	-
iii) Provision made towards Income tax (including deferred tax)	362,643,064	217,209,872
iv) Provision for Standard Assets	67,837,979	12,092,839
v) Other Provision and Contingencies		
a) Provision for gratuity	256,823	(78,890)
b) Provision for compensated absences	124,423	(115,000)

## 2.51 Concentration of Deposits, Advances, Exposures and NPAs

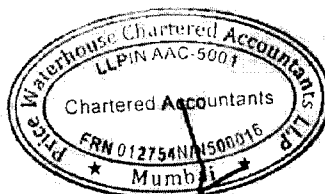
	2018	2017
A) Concentration of Advances		
Total Advances to twenty largest borrowers	16,882,526,316	7,719,936,264
% of Advances to twenty largest borrowers to Total Advances	61.68%	99.96%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	16,882,526,316	7,719,936,264
% of Exposures to twenty largest borrowers / Customers to Total Advances	61.68%	99.96%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	483,550,000	-
D) Sector-wise NPAs		
Sectors/Particulars	% of NPAs to Total Advances in that sector	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	1.91%	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

## 2.52 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

## 2.53 Customer Complaints

	2018	2017
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

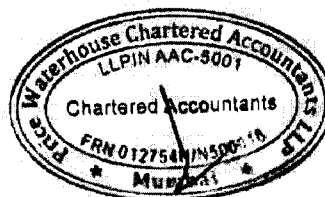
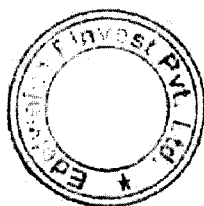
2.54 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	2018	2017	2018	2017
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	15,809,845,432	5,799,497,860	-	-
(ii) Unsecured	2,210,137,173	77,737,300	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	425,000,030	-	-	-
d) Inter-corporate loans and borrowing	7,761,957,481	-	-	-
e) Commercial Paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Inter corporate loan	12,207,670	-	-	-

Assets side:

Particulars	Amount Outstanding	
	2018	2017
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	26,800,020,165	7,112,272,190
b) Unsecured	572,937,960	607,664,074
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments:		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	79,000,000
(iv) Government Securities	-	-
(v) Others (Pass through certificates)	-	-





# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

2.54 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

4) Break up of Investments (Continued)		Amount Outstanding	
		2018	2017
Long-Term Investments ( Net of Provision )			
a) Quoted:			
(i) Shares: Equity		-	164,035,629
Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
b) Unquoted:			
(i) Shares: Equity		591,883,527	590,142,279
Preference		40,000,950	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
- Investments in security receipts of trusts		3,404,434,787	2,004,085,995
- Investments in units of funds		286,159,586	29,160,000
- Investments in warrants		14,560,222	5,000,000

5) Borrower group-wise classification of assets financed as in (2) and (3) above  
As at 31 March 2018

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
2. Other than related parties	26,316,470,165	572,937,960	26,889,408,125
<b>TOTAL</b>	<b>26,316,470,165</b>	<b>572,937,960</b>	<b>26,889,408,125</b>

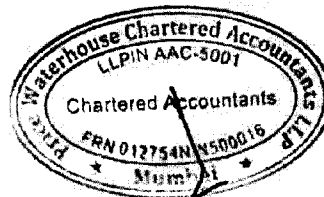
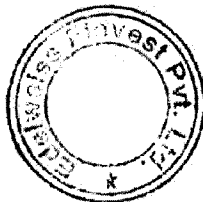
As at 31 March 2017

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	415,269,500	415,269,500
(c) Other related parties	-	-	-
2. Other than related parties	7,112,272,190	192,394,574	7,304,666,764
<b>TOTAL</b>	<b>7,112,272,190</b>	<b>607,664,074</b>	<b>7,719,936,264</b>

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	2018	2017	2018	2017
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	806,301,865	619,302,279	806,301,865	619,302,279
(c) Other related parties	-	-	-	-
2) Other than related parties	3,530,737,207	2,241,692,707	3,530,737,207	2,252,121,624
<b>TOTAL</b>	<b>4,337,039,072</b>	<b>2,860,994,986</b>	<b>4,337,039,072</b>	<b>2,871,423,903</b>

\*\* As per Accounting Standard 18 - Related Party Disclosures



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

2.54 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

## 7) Other Information

Particulars	2018	2017
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	483,550,000	-
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

### Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

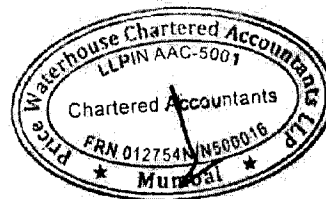
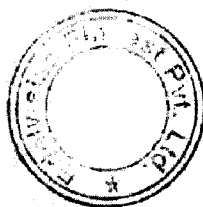
## 2.55 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of Companies Act 2013,

- Gross Amount required to be spent by the Company during the year was Nil (Previous year : Nil).
- Amount spent during the year on :

S.no.	Particulars	2018			2017		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
1	Construction/ Acquisition of any assets	-	-	-	-	-	-
2	on purpose other than (i) above	-	-	-	-	-	-

The Company is a subsidiary of Ecap Equities Limited which is wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of ₹. 177,841,968 (Previous year: ₹. 115,684,300) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.



**Edelweiss Finvest Private Limited****Notes to the financial statements (continued)**

(Currency: Indian rupees)

**2.56 Assets and liabilities acquired on account of merger of finance division of Edelweiss Finance and Investments Limited, a fellow subsidiary**

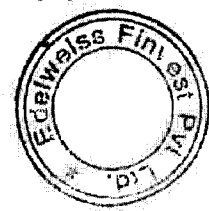
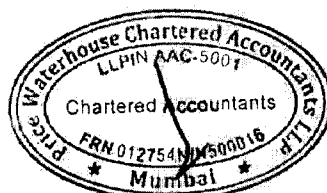
- i) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 and Sections 230 to 232 of the Companies Act 2013 sanctioned by the National Company Law Tribunal, Mumbai Bench vide its order dated 25 July 2017 ("the Order"), Edelweiss Finance & Investments Limited (EFIL), a fellow subsidiary, ("The Demerged Company" or "The Transferor Company"), has demerged the Lending and Investment Business to Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited) ("First Resulting Company" or "EW Finvest"), which is another NBFC engaged in the business of lending and investments, and the Training Centre Business to Edel Land Limited ("Second Resulting Company" or "ELL") which undertakes real estate activities with effect from 1 April 2016 ("the Appointed Date"). The scheme has come into effect from 1 August 2017 ("the Effective Date"). Accordingly, the financial statements of the Company for the year ended 31 March 2018 have been prepared taking into account the effect of the said Order.

## ii) In accordance with the Scheme:

On the Scheme becoming effective with effect from the Appointed date, the Company has taken over all the assets aggregating ₹.10,214,424,626 and liabilities aggregating to ₹ 8,737,815,930 as appearing in the books of Transferor Company related to business of lending and investment business at its respective book value as on Appointed Date. Net asset acquired include.

<b>Asset/Liabilities received under the Scheme</b>	<b>Amount in ₹</b>
<b>Assets</b>	
Investments	3,650,542,560
Deferred Tax	104,928,973
Loans and Advances	5,801,162,974
Other Current Assets and Trade Receivables	657,790,119
<b>Total Assets (A)</b>	<b>10,214,424,626</b>
<b>Liabilities</b>	
Long Term Borrowings	5,874,515,370
Provisions	65,784,601
Trade Payables	17,952,500
Other current liabilities	1,555,562,660
Short term borrowings	1,224,000,799
<b>Total Liabilities (B)</b>	<b>8,737,815,930</b>
<b>Net assets transferred (A-B)</b>	<b>1,476,608,696</b>

- iii) The Scheme of arrangement is a tax neutral merger as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 and accordingly, the assets and liabilities as on appointed date were transferred at cost. The Company has issued 8,279,275 equity shares of ₹10 each at premium of ₹. 168.35 each equity share aggregating to ₹ 1,476,608,696 to Edelweiss Financial Services Limited the 100% shareholder of Edelweiss Finance & Investment Limited in settlement of the purchase consideration for the lending and investment business acquired.
- iv) On account of merger, The Company has received profit after tax of ₹ 286,006,643 from April 1st, 2016 (appointed date) to March 31st, 2017 from Edelweiss Finance & Investments Limited.
- v) The company has cancelled its 466,300, 0.01% Compulsorily convertible non- cumulative preference shares - Series A at par having face value of ₹ 10 each and premium of ₹ 240 each. These shares were held by EFIL and transferred to the Company on account of merger.



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)  
(Currency: Indian rupees)

## 2.57 Details of ratings assigned by credit rating agencies

As at 31 March 2018

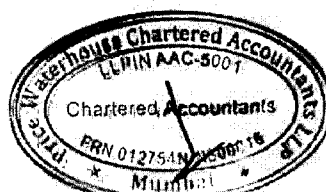
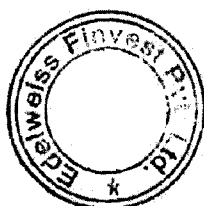
Instrument category	Brickworks	CRISIL	ICRA
i) Long Term Instruments			
Rating	AA+	AA/Stable	AA
Amount	3,300,000,000	12,000,000,000	13,500,000,000
ii) Short term instruments			
Rating		A1+	A1+
Amount		10,000,000,000	10,000,000,000
iii) Market linked debentures			
a Short Term		PP- MLD A1+R	PP-MLD [ICRA]A1+
Rating		5,000,000,000	1,500,000,000
Amount			
b Long Term			
Rating	PP-MLD AA+	PP MLD AA r/Stable	PP-MLD [ICRA]AA
Amount	3,000,000,000	11,500,000,000	13,000,000,000

As at 31 March 2017

Instrument category	CRISIL	ICRA
i) Long Term Instruments		
Rating	AA/Stable	AA
Amount	12,000,000,000	11,000,000,000
ii) Short term instruments		
Rating	A1+	A1+
Amount	10,000,000,000	10,000,000,000
iii) Market linked debentures		
a Short Term	PP- MLD A1+R	PP-MLD [ICRA]A1+
Rating	5,000,000,000	1,500,000,000
Amount		
b Long Term		
Rating	PP MLD AA r/Stable	PP-MLD [ICRA]AA
Amount	6,500,000,000	6,000,000,000

## 2.58 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.25 and 2.27 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



# Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

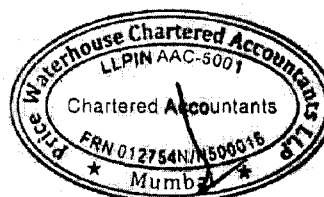
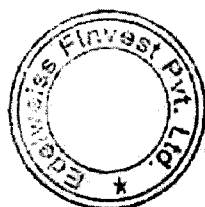
- 2.59 Registration obtained from other financial sector regulators - None
- 2.60 The Company has not restructured any loans and advances during the year ended 31 March 2018 and 31 March 2017.
- 2.61 Disclosure of Penalties imposed by RBI and other regulators- None
- 2.62 Overseas Assets - Nil (Previous year - Nil)
- 2.63 Details of financing of parent company products - None (Previous year - none)
- 2.64 Off-Balance sheet SPV sponsored - None (Previous year - none)
- 2.65 Draw Down from Reserves: (Previous year - Nil)
- 2.66 Disclosure of Penalties imposed by RBI and other regulators- Nil (Previous year - Nil)
- 2.67 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil
- 2.68 Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015  
Related Party transactions

Particulars	2018	2017
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

- 2.69 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	24,000	-	24,000
(+) Permitted receipts	-	280	280
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	24,000	-	24,000
Closing cash in hand as on 30.12.2016	-	280	280

*\*For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.*



## Edelweiss Finvest Private Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

- 2.70 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.
- 2.71 Previous year figures have been reclassified to conform to this year's classification.

Signature to notes forming part of the Financial Statements.

For Price Waterhouse Chartered Accountants LLP  
Chartered Accountants  
Firm's Registration No: 012754N / N500016

For and on behalf of the Board of Directors

  
Russell I Parera  
Partner  
Membership No: 42190

  
Pooja Dsouza  
Director  
DIN : 05136515

  
Hari Ram Misra  
Director  
DIN : 07599248

  
Sheetal Gandhi  
Chief Financial Officer

  
Niket Joshi  
Company Secretary

Mumbai  
2 May 2018

Mumbai  
2 May 2018

**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 arm's length transactions under third proviso thereto:

**(Currency : Indian Rupees)**

**I. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable**

<b>II. Details of material contracts or arrangement or transactions at arm's length basis:</b>						
<b>Sr. No.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts/ arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date of approval by the Board</b>	<b>Amount paid as advances, if any</b>
1	Edelweiss Financial Services Limited -Ultimate Holding company	Corporate guarantee support fee paid	One year	7,97,84,000	08/02/2017	Nil
		Expenses reimbursement	One year	1,10,516	08/02/2017	Nil
		Rating support fees paid	One year	2,13,737	08/02/2017	Nil
2	Ecap Equities Limited-Holding company	Expenses reimbursement	One year	1,60,171	08/02/2017	Nil
		Interest expense	One year	3,86,84,840	08/02/2017	Nil
		Purchase of securities		1,01,22,68,493	08/02/2017	Nil
3	Auris Corporate Centre Limited-Fellow subsidiary	Expenses reimbursement	One year	1,612	08/02/2017	Nil
4	Burlington Business Solutions Limited-Fellow subsidiary	Expenses reimbursement	One year	28,828	08/02/2017	Nil
5	ECL Finance Limited-Fellow subsidiary	Expenses reimbursement	One year	4,54,62,042	08/02/2017	Nil

		Purchase of securities		24,51,66,438	08/02/2017	Nil
		Sale of securities		64,13,08,987	08/02/2017	Nil
6	Edel Commodities Limited-Fellow subsidiary	Interest income	One year	3,77,074	08/02/2017	Nil
		Loan repayment received		44,00,000	08/02/2017	Nil
7	Edelcap Securities Limited-Fellow subsidiary	Interest income	One year	9,11,83,071	08/02/2017	Nil
		Loan given	One year - payable on demand	92,41,80,000	08/02/2017	Nil
		Loan repayment received		93,07,68,000	08/02/2017	Nil
		Margin money withdrawn		36,78,52,450	08/02/2017	Nil
8	Edelweiss Alternative Asset Advisors Limited-Fellow subsidiary	Expenses reimbursement	One year	3,87,03,000	08/02/2017	Nil
9	Edelweiss Asset Reconstruction Company Limited-Fellow subsidiary	Expenses reimbursement	One year	81,71,885	08/02/2017	Nil
10	Edelweiss Broking Limited-Fellow subsidiary	Expenses reimbursement	One year	1,01,986	08/02/2017	Nil
11	Edelweiss Business Services Limited-Fellow subsidiary	Expenses reimbursement	One year	1,91,57,044	08/02/2017	Nil
12	Edelweiss Commodities Services Limited-Fellow subsidiary	Expenses reimbursement	One year	14,09,962	08/02/2017	Nil
		Interest expense	One year	16,11,03,567	08/02/2017	Nil
		Interest income	One year	17,12,01,704	08/02/2017	Nil
		Loan given	One year - payable on demand	3,74,30,27,000	08/02/2017	Nil
		Loan repaid		17,69,28,01,519	08/02/2017	Nil
		Loan repayment received		4,14,73,09,000	08/02/2017	Nil



		Loan taken	One year - payable on demand	25,45,47,59,000	08/02/2017	Nil
		Purchase of securities		2,50,15,30,672	08/02/2017	Nil
		Sale of securities		8,38,19,602	08/02/2017	Nil
13	Edelweiss Custodial Services Limited-Fellow subsidiary	Expenses reimbursement	One year	1,10,000	08/02/2017	Nil
		Interest income	One year	31,20,973	08/02/2017	Nil
		Margin money placed	One year	1,10,66,003	08/02/2017	Nil
		Margin money withdrawn		27,76,07,798	08/02/2017	Nil
14	Edelweiss Finance & Investments Limited-Fellow subsidiary	Interest income	One year	3,41,61,914	08/02/2017	Nil
		Loan given	One year - payable on demand	64,88,43,546	08/02/2017	Nil
		Loan repayment received	One year - payable on demand	64,88,43,546	08/02/2017	Nil
		Purchase of securities		48,01,47,500	08/02/2017	Nil
		Sale of securities		66,88,06,904	08/02/2017	Nil
16	Edelweiss Global Wealth Management Limited-Fellow subsidiary	Expenses reimbursement	One year	99,09,872	08/02/2017	Nil
17	Edelweiss Securities Limited-Fellow subsidiary	Expenses reimbursement	One year	11,23,637	08/02/2017	Nil
		Interest income	One year	16,109	08/02/2017	Nil
		Margin money placed	One year	35,29,78,569	08/02/2017	Nil
18	EFSL Trading Limited-Fellow subsidiary	Expenses reimbursement	One year	12,292	08/02/2017	Nil
19	Eternity Business Centre Limited-Fellow subsidiary	Expenses reimbursement	One year	21,343	08/02/2017	Nil

21	EW Clover Scheme1-Fellow subsidiary	Interest income	One year	1,77,534	08/02/2017	Nil
20	Bhavin N Mehta-Key Management Personnel	Managerial remuneration		17,62,768	03/08/2015	Nil

**Sd/-**  
**Puja D' Souza**  
**Director**  
**DIN No.: 05136515**

**Sd/-**  
**Ashish Kehair**  
**Director**  
**DIN No.: 07789972**

Date: May 23, 2018  
Place: Mumbai

## BOARD'S REPORT

To the Members of **Edelweiss Finvest Private Limited**,

The Directors hereby present their 13<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2019:

### Financial Summary/Highlights

(Rs. in million)

Particulars	2018-2019	2017-2018
<b>Total income</b>	5,257.79	3,874.36
Total Expenses	2,714.73	2,592.97
<b>Profit Before Tax</b>	2,543.06	1,281.39
Tax Expenses (including Deferred Tax and Fringe Benefit Tax, if any)	835.04	217.55
<b>Profit for the year</b>	1,708.02	1,063.84
<b>Other Comprehensive Income</b>	(1.23)	0.05
Total Comprehensive Income	1,706.79	1,063.89
<b>Opening Balance</b>	3,329.99	2,226.42
<b>Profit available for appropriation</b>	1,708.02	1,063.84
<b>Appropriations</b>		
-Income Tax Impact on ESOP	(8.54)	6.12
-ESOPS charged during the period	-	-
-Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(341.60)	(266.44)
-Transfer to Debenture Redemption Reserves	-	-
- Deemed distribution during the year	-	300
<b>Surplus carried to Balance Sheet</b>	4,686.64	3,329.99

### Financial Statements

In accordance with the provisions of the Companies Act, 2013, the Company has implemented IND AS during the financial year ended March 31, 2019. The Company has restated and presented the Comparative financials for FY 2017-18 and Balance Sheet as at April 1, 2017. The impact of the transition from IGAAP to Ind AS is disclosed in notes to the financial statements for the year ended March 31, 2019.

### Dividend

Your Directors do not recommend any dividend for the year ended March 31, 2019.

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

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the provisions of the RBI Master Direction No. DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 as amended i.e. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking Company (Reserve Bank) Directions, 2016.

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

Particulars of loans given and investments made, if any, are disclosed in the Financial Statements. During the year ended March 31, 2019, the Company has not given any guarantee.

## **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 AS-18 are reported in the Notes to the financial statement. The Company has formulated Related Party Transactions Policy.

The Policy is available at the website of the Company at the link: <https://www.edelweissfin.com/documents/30595/0/RelatedPartyTransactionsPolicy.pdf>

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

## **Directors and Key Managerial Personnel**

### **i) Independent Directors**

During the year ended March 31, 2019 Mr. Kunnasagar Chinnihah was appointed as an Additional Director (Non-Executive Independent) of the Company with effect from October 25, 2018 subject to approval by the Members of the Company at the forthcoming Annual General Meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section.

ii) **Managing Director & Chief- Executive Officer- Executive Director**

During the year ended March 31, 2019 Mr. Amit Dhawan was appointed as the Managing Director & Chief- Executive Officer of the Company for a period of 3 years w.e.f August 7, 2018.

The Members at the Extraordinary General Meeting held on October 25, 2018 have approved the appointment of Mr. Dhawan as the Managing Director & Chief- Executive Officer of the Company for a period of 3 years w.e.f August 7, 2018.

iii) **Non- Executive Directors**

During the year under review, Mr. Ashish Kehair and Mr. Shrikant Subbarayan were appointed as additional Directors of the Company. Mr. Kehair and Mr. Subbarayan office till forthcoming Annual General Meeting.

The Company has received notices from a member signifying intention to appoint Mr. Kehair and Mr. Subbarayan Director at the forthcoming Annual General Meeting.

During the year under review, Mr. Hari Ram Misra and Mr. Kulbir Singh Rana resigned as Directors of the Company. The Board places on record its sincere appreciation of the services rendered by Mr. Misra and Mr. Rana during their tenure as Directors of the Company.

Ms. Puja D'Souza retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment.

iv) **Key Managerial Personnel**

During the year under review, Mr. Bhavin N. Mehta ceased to be the Manager of the Company with effect from August 2, 2018.

Mr. Niket Joshi was appointed as the Company Secretary with effect from May 2, 2018.

**Number of Board Meetings held**

During the year ended March 31, 2019 the Board met 6 times.

**Remuneration Policy**

The Company has framed a Remuneration Policy as per the Companies Act, 2013. The Policy is annexed as Annexure – II to this Report.

### **Evaluation of the Performance of the Board**

The Board has framed an Evaluation Policy (the Policy) for evaluating the performance of the Board, Independent Directors, Executive Director, Non-executive Directors and its Committees. Based on the same, the performance was evaluated for the financial year ended March 31, 2019. A meeting of the Independent Directors was held during the year under review.

The Policy *inter alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

### **Internal Financial Controls**

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

### **Finance**

Your Company has borrowed funds in the form of Non-Convertible Debentures offered / issued on a private placement basis.

The Company enjoys high credit rating from various Rating Agencies. The credit ratings reflect the Company's financial discipline and prudence.

### **Audit Committee**

As at March 31, 2019, the Audit Committee of the Board of Directors of the Company comprises of the following Directors:-

Mr. Kunna Sagar Chinniah	- Independent Director
Mr. Sanjay Shah	- Independent Director
Mr. Bharat Bakshi	- Independent Director
Mr. Ashish Kehair	- Director.

The majority of the Members of the Committee are Independent Directors and have financial management expertise.

During the year ended March 31, 2019 the Committee met 6 times.

### **Nomination & Remuneration Committee**

As at March 31, 2019, the Nomination & Remuneration Committee of the Board of Directors of the Company comprises of the following Directors:-

Mr. Sanjay Shah	- Independent Director
Mr. Bharat Bakshi	- Independent Director
Ms. Puja D'Souza	- Director.

During the year ended March 31, 2019 the Committee met 4 times.

### **Corporate Social Responsibility Committee**

In accordance with the provisions of Section 135 of the Companies Act, 2013, (the Act), the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as its members:

Mr. Amit Dhawan	- Managing Director & CEO
Ms. Puja D'Souza	- Director
Mr. Bharat Bakshi	- Independent Director
Mr. Ashish Kehair	- Director.

The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act. Further details in this regard are provided in the Annexure - III to this Report.

During the year ended March 31, 2019 the Committee met 2 times.

### **Auditors**

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), the members of the Company in the 12<sup>th</sup> Annual General Meeting (AGM) held on July 24, 2018 appointed M/s. S. R. Batliboi & Co. LLP, (SRB) as the auditors of the Company for a period of 5 years from the conclusion of 12<sup>th</sup> AGM till the conclusion of 17<sup>th</sup> AGM of the Company to be held in the year 2023.

The Report of the Auditors is unqualified.

### **Secretarial Audit**

The Board had appointed Sahani & Kothari Associates, Company Secretaries, as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the Financial Year ended March 31, 2019. The Secretarial Audit Report is provided in Annexure - IV to this Report. The Secretarial Audit Report is unqualified.

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

The Company has framed a Policy on Prevention of Sexual harassment at workplace. No case was reported during the year ended March 31, 2019. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

#### **A. Conservation of Energy**

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

#### **B. Technology Absorption**

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



### **C. Foreign Exchange Earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review.  
(Previous year: Nil).

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

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed there under, the extract of the Annual Return in the prescribed Form MGT-9 is annexed as Annexure IV.

### **Whistle Blower Policy / Vigil Mechanism**

The Company has adopted Whistle Blower Policy of Edelweiss Financial Services Limited, the ultimate Holding Company, for employees to report genuine concerns/grievances. The Policy is available on the website of the Company at the link: <https://www.edelweissfin.com/documents/30595/0/WhistleBlowerPolicy.pdf>

The Policy provides for the adequate safeguards against the victimization of the employees who use vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

### **Particulars of Employees**

The information/particulars of Employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are provided in Annexure - V to this Report.

### **Risk Management**

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

### **Other Disclosures**

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2019. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. No material changes have occurred between the end of financial year i.e. March 31, 2019 and the date of the report affecting the financial position of your Company. The Company is in compliance with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Edelweiss Private Limited

Corporate Identity Number: U65993MH2006PTC164007

Registered Office: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirod Road, Kurla (West), Mumbai 400070 © +91 22 4272 2200

### **Directors' Responsibility Statement**


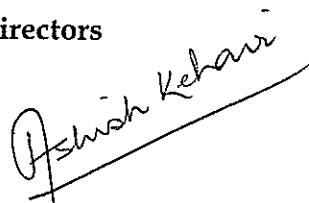
Pursuant to Section 134 of the Companies Act, 2013 (the Act), the Board of Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have selected such accounting policies 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, 2019 and of the profit of the Company for the financial year ended on that date;
- iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) internal financial controls have been laid down and the same are adequate and were operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Acknowledgments**

The Board of Directors wish to acknowledge the continued support extended and guidance given by Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Ministry of Corporate Affairs, Banks, Depositories, other 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 Finvest Private Limited

  
Amit Dhawan  
Managing Director & CEO  
DIN :02800746  
Ashish Kehair  
Director  
DIN : 07789972

**Mumbai, May 13, 2019**

Edelweiss Finvest Private Limited

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## **EDELWEISS FINVEST PRIVATE LIMITED (EFPL) FY2018-19**

### **Management Discussion & Analysis Report**

Goldilocks 2017 gave way to a volatile 2018. Rise of trade tensions between the US and China impacted the business sentiments, while US Fed's monetary tightening contributed to the global liquidity tightening. This liquidity tightening amid relatively high levels of global debt worked to slowdown the growth momentum in the global economy in later part of 2018.

Against this backdrop of tightening global liquidity, and rising crude oil prices, India witnessed a reversal in capital flows and a balance of payments (BoP) squeeze, thus putting pressure on exchange rate. At the same time, default by a AAA rated entity in September 2018 further impacted the sentiments in the money markets, leading to a near-freeze at one point. Bond spreads shot up significantly and risk appetite among NBFCs weakened, with focus shifting to preserving liquidity rather than chasing growth. However, as BoP situation improved and INR stabilized towards end 2018, the RBI began to inject liquidity into the banking system. In addition, Fed's unexpectedly dovish tilt in January 2019 also supported flows to Emerging Markets. India received nearly USD7bn of FII equity flows in Q4FY19.

However, liquidity tightening of 2018 and slowdown in global economy impacted India's growth momentum. Exports slowed down in a broad-based manner in line with slowdown in global trade, while liquidity tightening and NBFCs risk aversion impacted pockets of leveraged consumption such as cars, two wheelers and commercial vehicles. However, there are segments of the economy which are holding up quite well. For example, infrastructure/construction growth is running at a healthy pace helped by government spending on construction-related projects. Bank lending to infrastructure/construction has also been running strong and these trends are consistent with the robust cement demand.

On the monetary policy front, RBI has cut rates two times in 2019 so far, reversing the rate hikes undertaken in 2018. However, one area where more progress is needed is the transmission of the monetary policy, which is hampered by elevated credit-deposit ratio (CD) in the banking system. The latter is the result of the high growth in cash in circulation (CIC), which is acting as a drain on the banking system. The good news there is that CIC growth has started to subside and if that trend continues in the coming months, CD ratio may start to normalise, which in turn will facilitate the transmission of policy rate cuts.

On the fiscal front, central government revenues are running slower than projected growth rates both on direct as well as indirect taxes front although disinvestment receipts have marginally exceeded the budget estimates. In view of this, the central government started to slowdown the expenditure growth in a broad-based manner in 2HFY19. Overall central government fiscal deficit was maintained at 3.4% of the GDP.

### **Overall Outlook**

While global growth has been moderating for last 6 months, there are early signs of stabilization. If this sustains and there is any rebound in global growth, India's exports are likely to benefit. On the domestic front, monetary policy transmission is the key monitorable. Also, the political rhetoric is shifting towards stimulating the rural economy which augurs well for the consumption pockets of the economy. Even banking sector NPA problems are largely behind us and government has made significant progress on PSU banks recapitalization.

Therefore, it is expected that economic activity should start to gain traction gradually during the course of FY20 though the first half may be muted. The downside risk arises from the way oil prices behave on how the US sanctions against Iran pan out, how the ongoing US China trade war ends and a sharper than expected slowdown in the global economy, which may hurt not only exports but also capital flows and sentiments.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Commercial Credit Markets

FY19 has seen some improvement in banking sector's non-food credit growth - ~13% versus ~9% in FY18. As a result of high capex spending by government, there is a reasonable uptick in lending to infrastructure/construction pockets of the economy, while lending to the manufacturing segment is yet to see an uptick.

The developments over past few months (credit event in AAA rated entity) led to risk averseness towards NBFCs/HFCs as incremental liquidity became expensive. As a result, the banks benefitted from softened competition and there was visible market share shift towards them.

FY19 also saw better asset quality performance by banks with incremental stress showing signs of moderation. Now that implementation of Insolvency & Bankruptcy Code is stabilizing and has already resolved some high profile non-performing assets, resolution and turnaround should gain speed and credit growth should also improve in FY20.

### NBFC Industry

The past few months have been tumultuous for NBFCs with a couple of events triggering fears of a liquidity crisis. In this backdrop, funding became expensive (especially for players dependent on the debt market with relatively shorter duration). As a result, risk appetite waned impacting growth of the NBFC sector as they focused more on liquidity management rather than asset growth.

That said, recovery following that has also been relatively swift (aided by regulator's support) and the situation is improving. The growing relevance of the NBFCs also highlighted the emphasis of risk management in the sector and most of NBFCs emerged stronger with better balance sheet strength.

Going forward, while the segment is not entirely out of woods, comfortable capital position, control on asset quality and strengthened liquidity

management practices provide comfort. Within NBFCs, well run business models with stronger balance sheets, prudent risk management practices and limited vulnerability to earnings will emerge stronger.

### Retail Finance

India has one of the lowest credit penetration among the larger economies and retail credit presents a large growth opportunity driven by the long term trends in democratisation of credit, rising household incomes and increased consumption. Mortgages including affordable housing and mid and small and medium enterprises in particular present large growth opportunities.

While commercial banks did again turn towards corporate credit growth, retail segment continues its momentum both for banks and NBFCs. Though the growth momentum suffered in case of NBFCs in the second half of FY19 on the back of liquidity concerns, it is gradually coming back to the prior levels.

In addition to retail mortgages, the other scalable area being focused upon by all the banks and NBFCs is Mudra Finance or SME finance. Looking at Indian market, SMEs continue to be under-banked and NBFCs are increasingly making headway in this sector. Thus, the potential for NBFCs and HFCs to scale up their SME credit and mortgages business remains significant.

## EDELWEISS FINVEST PRIVATE LIMITED (EFPL) OVERVIEW

Arum Investments Private Limited had obtained a certificate of registration dated February 23, 2007 bearing registration no. N-13.01856 issued by The Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of non-banking financial institution without accepting public deposits subject to the conditions mentioned in the certificate of registration. The name of the Company was changed to Edelweiss Finvest Private Limited with effect from June 15, 2017. It is a systemically important NBFC (NBFC – ND – SI) and is engaged in the business of credit and investments.

We are part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around three **broad business groups** – **Credit businesses** including Retail Credit, Corporate Credit and Distressed Credit, **Advisory businesses** including Wealth Management, Asset Management and Capital Markets, and **Insurance** including Life Insurance and General Insurance.

Today, EFPL is a Rs.32,939 million asset base company with presence in significant areas of finance businesses.

## FINANCIAL PERFORMANCE HIGHLIGHTS

### FINANCIAL HIGHLIGHTS FOR FY19

A summary of our FY19 financial highlights together with FY18 financials as per Ind AS is as under:

- **Total Revenue Rs. 5,258 million** (Rs.3,874 million for FY18), up 36%
- **Profit after Tax Rs.1,708 million** (Rs.1,064 million for FY18), up 61%
- **Networth Rs.10,165 million** (Rs.8,303 million at the end of FY18)

### INCOME

#### Fund Based Revenue

Our fund-based businesses earned revenue of Rs. 5,138 million for FY19 (Rs.3,790 million for FY18), up 36%. Within this, Interest income was Rs.4,703 million (Rs.3,212 million for FY18), up 46%.

#### Agency Fee & Commission

Our agency fee & commission revenue was Rs. 119 million for the year, compared to Rs.85 million in FY18, up 41%.

### EXPENSES

Our total costs for FY19 was Rs.2,715 million (Rs.2,593 million in FY18), up 5%. Within this, our employee expense for FY19 was Rs.113 million (Rs.36 million in FY18), up 212% as we added 61 employees during FY19 for future growth. The interest expense for FY19 was Rs.2,264 million

(Rs.1,504 million in FY18), up 50% on account of higher average borrowings during FY19.

### PROFIT AFTER TAX

Our Profit after Tax for FY19 was Rs.1,708 million compared to Rs.1,064 million for FY18, up 61%.

Our Profit before Tax margin for FY19 was 48% and Profit after Tax margin was 32%, compared to 33% and 27% respectively for FY18

## BUSINESS PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY19 are as under:

### CREDIT BUSINESS

Credit business of EFPL broadly offers secured wholesale loans to the borrowers against collateral of pledge of securities, real estate, and ESOP and Margin funding etc. Total credit book of EFPL stands at Rs.25,042 million at the end of this year compared to Rs.28,822 million at the end of previous year, a degrowth of 13%.

The composition of Credit Book as on March 31, 2019 is as under:

(Rs. In million)

Product/Segment	Book size as on March 31, 2018	Book size as on March 31, 2019
Structured Collateralised Credit and Corporate Loans	12,106	9,615
Real Estate Loans	14,564	9,875
Loan against Securities	1,822	5,306
Rural Loans and Others	330	246
<b>Total Loan Book</b>	<b>28,822</b>	<b>25,042</b>

EFPL had scaled up its loan book portfolio during first half of FY19 by leveraging Edelweiss relationships across corporates and individual clients. However, due to liquidity squeeze in the second half following the default by a AAA rated company, we prudently focused on risk management rather than chasing asset growth. As a result, our credit book at the end of FY19 was slightly lower than that at the beginning of the year.

Further, as a result of strict adherence to conservative credit appraisal, constant collateral monitoring and best-in-class risk management, EFPL has managed to control its asset quality satisfactorily. EFPL's Gross NPLs were at 0.34% and Net NPLs at 0.17% as on 31, March 2019 compared to Gross NPLs 1.68% and Net NPLs 0.00% as on 31, March 2018. Our Provision Coverage Ratio is 49% as at the end of this year as we made a prudent provision for our NPLs. We continue to focus on risk management and achieving growth in the book without diluting risk standards.

## BALANCE SHEET MANAGEMENT

For any NBFC like ours, its capital forms the most important resource, besides the human capital. From its earliest days, EFPL has recognised this and has always focused its energies in creating a strong balance sheet. A strong capital base provides us the freedom and ability to deploy capital for scaling up our business.

We continue to diversify our sources of borrowings as well as add liabilities commensurate with our assets profile. These instruments provide us with medium to long term liabilities to match our asset profile. Our sanctioned bank lines were Rs.550 million at the end of March 31, 2019.

### Balance Sheet Gearing

EFPL has a total net worth of Rs. 10,165 million as at the end of FY19 compared to Rs.8,303 million at the end of FY18. Amount of debt on the Balance Sheet as on March 31, 2019 was Rs.22,774 million (Rs.26,331 million as on March 31, 2018), with a Gearing Ratio of 2.24 times. The Gearing ratio was 3.17 times as at the end of FY18. While the average

borrowings were higher during FY19, due to challenging environment in the second half of FY19 we reduced our borrowings in line with the credit book. The gross Balance Sheet size at the end of FY19 is Rs.34,029 million.

### Capital Adequacy Ratio

As per the Non Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs—ND—SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio ("CRAR") of 15%. EFPL's CRAR as on March 31, 2019 was 28.44% with a Tier I Ratio of 26.64% compared to total CRAR of 23.35% with a Tier I Ratio of 21.92% as on March 31, 2018.

## OPPORTUNITIES

The macro economic developments in India as well as the rest of the world detailed earlier augur well for growth of financial services in India for firms like Edelweiss and offer immense opportunities in FY20 and beyond as under:

The financialisation of Indian household savings, low credit penetration and increasing consumption are already presenting newer opportunities for financial services like retail credit which is one of our major businesses and is ready to capture a fair share of growth.

The projected growth in the Indian economy at around 7% in FY20 would continue to throw up vast opportunities for us to grow our various diversified credit businesses.

Democratisation of credit, increased availability of credit for MSME sector and the Government's push for affordable housing and "Housing for all by 2022" augur well for companies like ours which have already secured a strong foothold in retail credit segment.

## THREAT

While the opportunities landscape is promising, the following threats could dampen the growth of financial services sector in India:

- Slower than expected recovery of macro-economy, domestically as well as globally, increase in oil prices on the back of US sanctions against Iran or delay in revival of capex cycle can impede growth.
- If the current tight liquidity situation does not normalize soon, it could affect the normal growth of the NBFC sector.
- While the monsoon is predicted to be normal this year, any unforeseen failure of the monsoon can hinder the recovery in rural economy.

## OUTLOOK & STRATEGY

The coming year is an important one in India's 2025 journey to a GDP of USD 5 trillion. The economy has started regaining its old vigour. While global factors will always have a role to play as long as we are over-dependent on oil, our belief in the long-term India story continues to remain the same and we are confident that there will be growth opportunities all across in the India of the future.

In our markets, the liquidity situation is improving and with inflation coming down, the outlook for interest rates for the coming year remains positive. We expect growth to come back in a more calibrated manner. The new normal will also need a tweak in the way NBFC industry does business. There will be an enhanced focus on the liability side of the balance sheet – something which was on the backburner in the last 3-4 years of growth. Not only will the industry focus on more stable borrowing, improving the cost of this borrowing will be a key vector in value creation going forward.

We should expect a muted first half in FY20 with normalcy returning in the second half. Given the massive FII selling in 2018 and the underlying economy continuing to do well and with global factors like oil price and interest rates more benign, we hope 2019 will be calmer and a boost to the confidence and growth in India.

## RISK MANAGEMENT

The business activities of EFPL are exposed to various risks that are either inherent to the business or have their genesis in changes to external environment.

Risk management is integral part of business at Edelweiss. The good risk management practices of the Group have facilitated navigating through environmentally turbulent times and we share the same. While we have been managing various risks, a need for holistic approach to risk management led us to embrace yet another long journey towards **Enterprise Risk Management (ERM)** at the Group level. This we believe would strategically benchmark our practices to the best in class levels in ensuing years. Recognising the importance of embedding risk management at organisation level, Edelweiss has focused on making this every individual's agenda by creating first level of defence at individual level thus defining DNA of the organisation.

Financial services industry has been impacted in recent past with events relating to risks and governance. Taking clue from this, we have strengthened oversight on Risk focusing on all vectors of risk at entity level. To augment the Board Risk Committee at the Group level, **Enterprise Risk Management Council** comprising of senior management personnel has also been constituted. ERM council is creating framework to Assess, Avoid, and Manage and Mitigate risks across business verticals on a continuous basis. Our in-house **"Eleven-risk framework"** coupled with risk governance structure that includes business level risk team, Global Risk Group at the Corporate Centre, Global Risk Committee, ERM Council and the Board Risk Committee protects Edelweiss and ensures that there are enough defences available to control all types of risk events.

Respect for Risk is central to every business decision at Edelweiss. Simple questions are necessary to be answered before every decision i.e. **"Is it worth it?"** and **"Can we afford it?"**.



It is the constant endeavour of Edelweiss to heighten risk awareness and effectiveness of risk management. We share the same ethos in regard to Risk as our parent group.

We have the business risk team within our company which ensures implementation of risk philosophy and practices of Edelweiss Group at business level. Our risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed.

### **Key Risks**

EFPL deals in multiple asset classes and client segments and is thus exposed to various risks that can be broadly classified as credit risk, market risk and operational risk.

#### **Credit Risk**

The credit risk framework of EFPL ensures prior and periodic comprehensive assessment of every client, counterparty and collateral. Exposure limits are sanctioned to counterparties based on their credit worthiness. Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits.

#### **Market Risk**

The asset liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also proactively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

#### **Operational Risk**

Operational risk framework of EFPL is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we constantly review all critical processes to proactively identify weak controls and strengthen the same.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

As per the Companies Act, 2013, the companies need to ensure that they have laid down internal financial controls and that such controls are adequate and were operating effectively. Towards this end, we at EFPL have always adopted a risk balancing approach. EFPL has an Internal Control System, commensurate with the size, nature and complexity of our operations. The Company conducts its internal audit within the parameters of regulatory framework including preparation and execution of annual internal audit plan.

#### **Internal Audit**

Internal Audit follows Generally Accepted Audit Practices, Internal Audit Standards, analytical procedures etc. and ensures compliance with section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.

#### **Internal Control**

Our Internal Control Procedures include monitoring compliance with relevant matters covered under section 134(1)(e) of the Companies Act 2013.

## **HUMAN RESOURCES**

Edelweiss group is a cross-cultural mosaic and our strength lies in our diversity everywhere, within teams and across businesses. Our diversity makes us a stronger organization by bringing in fresh ideas, perspectives, experiences and fostering a truly collaborative workplace. The sense of ownership each one of us has displayed over the years is a testament to the culture of entrepreneurship we have tried to foster in Edelweiss. We share the Edelweiss group HR philosophy.

A significant component of our value based culture is our commitment to acknowledge and appreciate efforts of our employees through recognition programs that honor exemplary risk management, collaboration, customer centricity, people development, technology and innovation.



Taking care of our people with a framework that is fair, collaborative, compliant and responsive, Edelweiss represents a winning combination of people, opportunities and development.

At EFPL we believe that our human capital is our greatest strength and is the driver of growth, efficiency and productivity. We continue to focus on building entrepreneurial, innovative and leadership qualities in our employees through a number of well designed measures so that we have competent leaders for future growth.

We ended FY19 with a total headcount of 72 compared to 11 a year ago as we added employees for future growth. We have a large pool of senior people in Edelweiss group who are with us for more than 5 years and whose guidance is always available.

## CUSTOMER EXPERIENCE

In today's digital world, a customer has multiple options. Growth will accrue to organisations which succeed in giving a truly memorable customer

experience. At Edelweiss, Customer Experience (CX) is regarded as a key pillar of business success. Traditionally, Edelweiss has taken a problem-solving based approach to improving CX across its businesses, focusing on:

- Who is the Customer?
- What is their Need?
- How can we address that Need in the best possible way?

This was captured in our group motto "**Suno Samjho Suljhao**".

With this group philosophy in sight, we continued to build a culture of customer-centric thinking across EFPL. To drive this agenda, we have also instituted wide ranging corporate structure changes across the group. Through these efforts, we are responding to **evolving customer needs**, and **institutionalizing these processes across the organisation**, to ensure a superlative experience for all our customer segments, throughout the value chain.

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## Cautionary Statement

*Statements made in this Management Discussion and Analysis may contain certain forward looking statements based on various assumptions on the EFPL and Edelweiss Group's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. EFPL has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The presentation relating to business wise financial performance, balance sheet, asset books of EFPL and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding.*

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Audit Committee	Amount paid as advances, if any
1	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) - Fellow subsidiary	Loan taken	One year - payable on demand	15,368,056,268	22-Jan-18	Nil
2	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) - Fellow subsidiary	Loan repaid		23,129,517,685	22-Jan-18	Nil
3	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) - Fellow subsidiary	Loan given	One year - payable on demand	3,706,132,917	22-Jan-18	Nil
4	Edel Finance Company Limited - Fellow subsidiary	Loan given	One year - payable on demand	1,200,000,000	22-Jan-18	Nil
5	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) - Fellow subsidiary	Loan repayment received		3,502,036,404	22-Jan-18	Nil
6	ECap Equities Limited - Holding Company	Redemption of benchmark linked debentures		5,782,015,585	22-Jan-18	Nil
7	ECap Equities Limited - Holding Company	Interest expense on benchmark linked debentures	One year	604,215,585	22-Jan-18	Nil
8	ECL Finance Limited - Fellow subsidiary	Sale of securities		3,592,749,117	22-Jan-18	Nil
9	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) - Fellow subsidiary	Sale of securities		1,028,033,685	22-Jan-18	Nil
10	ECap Equities Limited - Holding Company	Sale of securities		648,846,267	22-Jan-18	Nil
11	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) - Fellow subsidiary	Purchase of securities		1,163,277,271	22-Jan-18	Nil
12	Edelweiss Securities Limited - Fellow subsidiary	Amount paid to Broker for trading in cash segment		589,891,533	22-Jan-18	Nil
13	Edelweiss Securities Limited - Fellow subsidiary	Amount received from Broker for trading in cash segment		707,217,921	22-Jan-18	Nil
14	Edelweiss Custodial Services Limited - Fellow subsidiary	Margin placed with broker	One year	690,028,333	22-Jan-18	Nil
15	ECL Finance Limited - Fellow subsidiary	Sale of Securities receipts		1,833,304,938	22-Jan-18	Nil

For Edelweiss Finvest Private Limited

  
Amit Dhawan  
Managing Director & CEO  
DIN : 02800746

  
Ashish Kehair  
Director  
DIN : 07789972

Mumbai, May 13, 2019

**Remuneration Policy**

**Objective**

The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees.

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 objective of this Policy is to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance of 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 are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for stock options.
- The Non-executive Directors (other than promoter Directors) shall be eligible for stock options.

**Remuneration of the Managing Director & Executive Directors**

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('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 Executive Directors (other than the promoter Directors) shall be eligible for stock options.

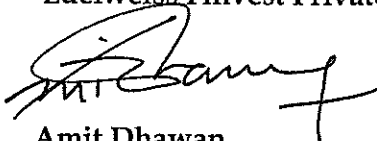
#### **Remuneration of the KMP (other than Executive Directors) and Senior level employees**

- The key components of remuneration package of the KMP (other than Executive Directors) 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.

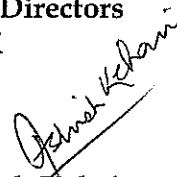
#### **Policy Review**

- 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.

**For and on behalf of the Board of Directors  
Edelweiss Finvest Private Limited**



**Amit Dhawan**  
Managing Director & CEO  
DIN :02800746



**Ashish Kehair**  
Director  
DIN : 07789972

**Mumbai, May 13, 2019**

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.  
  
To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.
2. The Composition of the CSR Committee is as under:-

Mr. Amit Dhawan	- Managing Director & CEO
Ms. Puja D'Souza	- Director
Mr. Bharat Bakshi	- Independent Director
Mr. Ashish Kehair	- Director
3. Average net profit of the Company for last three financial years : Rs. 1,197.1 million
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 23.94 million
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: Rs. 5 million
  - (b) Amount unspent, if any: Rs. 18.94 million

(c) Manner in which the amount spent during the financial year is detailed below:

(Amount Rs. in million)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
			(1) Local area or other		Sub - heads:		
			(2) Specify the State and district where projects or programs was undertaken		(1) Direct expenditure on projects or programs	(2) Overheads:	
1.	Milaan	Women Empowerment	Uttar Pradesh	5.00	4.58	5.00	Implementing agency - Edelgive Foundation
	<b>Total</b>			5.00	4.58	5.00	

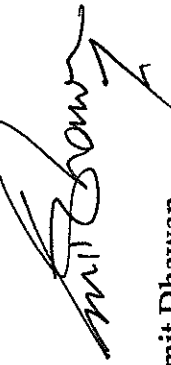
6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company is a subsidiary of ECap Equities Limited which is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 226.09 million was spent towards CSR activities during the year ended March 31, 2019, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2019.

**A responsibility statement of the CSR Committee -**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors  
Edelweiss Finvest Private Limited



Amit Dhawan  
Managing Director & CEO  
DIN No.:02800746



Ashish Khehair  
Director  
DIN No.: 07789972

Date: May 13, 2019  
Place: Mumbai





**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Edelweiss Finvest Private Limited**  
Tower 3, Wing B, Kohinoor City Mall,  
Kohinoor City, Kiroli Road, Kurla West,  
Mumbai - 400070.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Finvest Private Limited** (CIN: U65993MH2006PTC164007) and having its registered office at Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla West, Mumbai - 400070 (hereinafter called the "Company") for the Financial Year ended on March 31, 2019 (the "audit period"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings<sup>1</sup>;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

<sup>1</sup> Not applicable to the Company during the audit period





- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011<sup>2</sup>;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009<sup>3</sup>;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014<sup>4</sup>;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009<sup>5</sup>;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998<sup>6</sup>; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures of the Company issued by the Company on a Private Placement basis and listed on the Whole Sale Debt Segment of BSE Limited (the “Stock Exchange”).
- (vi) The Reserve Bank of India Act, 1934 and the Circular(s), Direction(s), Notification(s) and Regulation(s) issued by the Reserve Bank of India as applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking company, being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standard issued by The Institute of Company Secretaries of India related to meetings and minutes.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and in respect of the laws specifically applicable to the Company based on its sector/industry,

<sup>2</sup> Not applicable to the Company during the audit period

<sup>3</sup> Not applicable to the Company during the audit period

<sup>4</sup> Not applicable to the Company during the audit period

<sup>5</sup> Not applicable to the Company during the audit period

<sup>6</sup> Not applicable to the Company during the audit period





in so far as registration, submission of various returns/information for other particulars to be filed with Reserve Bank of India.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Resolutions of the Board of Directors and its Committees are approved on the basis of majority and are duly recorded in the respective minutes. There were no dissenting views by any member of the Board of Directors during the Audit Period.

**We further report that** there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines and standards.

**We further report that during the audit period:**

- 1) the Company has obtained the approval of the members of the Company under sections 42 & 71, and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on June 26, 2018 for issue of Non-Convertible Debentures on a Private Placement Basis for an amount aggregating Rs. 2,000 Crores in one or more tranches;
- 2) the Company has obtained the approval of the members of the Company under section 180(1)(a) and 180(1)(c) , and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on October 15, 2018 to borrow money in excess of the paid-up capital and free reserves for an amount not exceeding Rs. 7,500 Crores at any time;
- 3) the Company has obtained the approval of members under sections 42 & 71 , and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on October 15, 2018 for issue of Non-Convertible Debentures on Private Placement Basis for an amount aggregating Rs. 5,000 Crores in one or more tranches;
- 4) the Company has obtained the approval of members under Sections 196, 197, 203, Schedule V, and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on October 15, 2018 for appointment of Mr. Amit Dhawan (DIN: 02800746) as the Managing Director & Chief Executive Officer of the Company for a period of 3 years with effect from August 7, 2018;








- 5) the Company has obtained the approval of members under Sections 196, 197, 198, 203, Schedule V, and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on December 7, 2018 with regard to confirmation of the terms of appointment of Mr. Amit Dhawan (DIN: 02800746) as the Managing Director & Chief Executive Officer of the Company for a period of 3 years with effect from August 7, 2018;
- 6) the Company has obtained the approval of members under Section 180(1)(a), 188, and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on March 15, 2019 to sell or transfer or otherwise dispose off, on a going concern basis, the entire Business/ Undertaking, standing as on a mutually agreeable date, to ECL Finance Limited (ECLF), either by way of Portfolio Purchase Agreement/ Direct Assignment or otherwise, as may be deemed fit.
- 7) the Company has obtained the approval of the members of the Company under sections 42 & 71, and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on March 28, 2019 for issue of Non-Convertible Debentures on a Private Placement Basis for an amount aggregating Rs. 5,000 Crores in one or more tranches;
- 8) the Company has allotted 90,040 Listed Secured Redeemable Non-Convertible Debentures of the Face Value of Rs. 1,00,000 (Rupees One Lakh only) each aggregating to Rs. 90,04,00,000 (Rupees Nine Hundred Crore and Fourty Lakh Only);
- 9) the Company has allotted 9,690 Listed Unsecured Redeemable Non-Convertible Debentures of the Face Value of Rs. 1,00,000 (Rupees One Lakh only) each aggregating to Rs. 96,90,00,000 (Rupees Ninety Six Crore Ninety Lakh Only); and
- 10) the Company has allotted 7,228 Unlisted Secured Redeemable Non-Convertible Debentures of the Face Value of Rs. 1,00,000 (Rupees One Lakh only) each aggregating to Rs. 72,28,00,000 (Rupees Seventy Two Crore Twenty Eight Lakh Only).

This report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

For M/s. SAHANI & KOTHARI ASSOCIATES  
Company Secretaries



  
**Karan S. Sahani**  
Partner

Place: Mumbai  
Date : May 13, 2019

L. No.: ACS 40638 C.P. No.: 17189



**Annexure - A**

To,  
The Members,  
**Edelweiss Finvest Private Limited**  
Tower 3, Wing B, Kohinoor City Mall,  
Kohinoor City, Kiroli Road, Kurla West,  
Mumbai - 400070.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. **SAHANI & KOTHARI ASSOCIATES**  
Company Secretaries



  
**Karan S. Sahani**  
Partner

Place: **Mumbai**  
Date : **May 13, 2019**

M. No.: ACS 40638 C.P. No.: 17189

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I.	REGISTRATION AND OTHER DETAILS:	
i)	CIN	U65993MH2006PTC164007
ii)	Registration Date	August 23, 2006
iii)	Name of the Company	Edelweiss Finvest Private Limited
iv)	Category / Sub-Category of the Company	Private Company / Limited by shares
v)	Address of the Registered office and contact details	Edelweiss House, Off CST Road, Kalina, Mumbai - 400098 (Upto May 3, 2018) Tower 3, Wing B, Kohinoor City Mall, Kohinoor City Kiroli Road, Kurla (West), Mumbai- 400070 Email - cs@edelweissfin.com Tel No. - +91 22 4009 2200
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	(1) Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel No.: +91 22 4918 6270 Fax No.: +91 22 4918 6060

	<p>(2) <b>Karvy Computershare Private Limited</b>  Karvy Selenium Tower B, Plot 31-32,  Gachibowli, Financial District, Nanakramguda,  Hyderabad - 500032  Tel: +91 40 6716 2222  Fax: +91 40 2300 1153</p>

II	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-	As per Attachment - A
III	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-</b>	As per Attachment - B
IV	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>	
	i) Category-wise Share Holding	As per Attachment - C
	ii) Shareholding of Promoters	As per Attachment - D
	iii) Change in Promoters' Shareholding (please specify, if there is no change):	As per Attachment - E
	iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	As per Attachment - F
	v) Shareholding of Directors and Key Managerial Personnel:	As per Attachment - G
V	<b>INDEBTEDNESS</b> Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment - H
VI	<b>Remuneration of Directors and Key Managerial Personnel</b>	As per Attachment - I
VII	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>	As per Attachment - J



**Attachment - A**

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service #	% to total turnover / income of the Company \$
1.	Investing & Financing	649	89.44

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

\$ On the basis of Gross Income

**Attachment - B**

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

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	ECap Equities Limited Address: 2 <sup>nd</sup> Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad - 500 034	U67190TG2008PLC057122	Holding Company	67.40%	Section 2(46)
2.	Edelweiss Financial Services Limited Address: Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098.	L99999MH1995PLC094641	Ultimate Holding Company	--	Section 2(46)

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

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2018				No. of Shares held at the end of the year as on March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2,24,59,720	-	2,24,59,720	67.40	2,24,59,720	-	2,24,59,720	67.40	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>2,24,59,720</b>	<b>-</b>	<b>2,24,59,720</b>	<b>67.40</b>	<b>2,24,59,720</b>	<b>-</b>	<b>2,24,59,720</b>	<b>67.40</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>2,24,59,720</b>	<b>-</b>	<b>2,24,59,720</b>	<b>67.40</b>	<b>2,24,59,720</b>	<b>-</b>	<b>2,24,59,720</b>	<b>67.40</b>	<b>-</b>



[illegible]

\* Includes 6 Equity Shares held by 6 Nominees @ 1 Equity Share per Nominee.

Attachment - D

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2018			Share holding at the end of the year as on March 31, 2019			% change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ECap Equities Limited	2,24,59,720	67.40	Nil	2,24,59,720	67.40	-	-
2	Edelweiss Financial Services Limited (the ultimate holding company)	82,79,275	24.84	Nil	82,79,275	24.84	-	-
	<b>Total</b>	<b>3,07,38,995</b>	<b>92.24</b>	<b>Nil</b>	<b>3,07,38,995</b>	<b>92.24</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding: No change**

**(iii) Change in Promoters' Shareholding: No change**

[illegible]

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

SR. No.	Name	Shareholding at the beginning of the year as on April 1, 2018		Increase/Decrease in shareholding during the year			Date of change	Cumulative Shareholding during the year as on March 31, 2019	
		No. of shares	% of the total shares of the Company	No. of Shares Increase	No. of Shares Decrease	Reason		No. of shares	% of total shares of the Company
1	Edelweiss Securities Limited	12,59,394	3.78	-	-	Not Applicable	Not Applicable	12,59,394	3.78
2	Edelweiss Commodities Services Limited	13,27,486	3.98	13,27,486	-	Not Applicable	Not Applicable	13,27,486	3.98
				Total					7.76

Attachment - G

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year as on April 1, 2018		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company				No. of shares	% of total shares of the Company
<b>A. Directors</b>								
Nil								
<b>B. Key Managerial Personnel</b>								
Nil								

Attachment - H

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL - As per Annexure

Attachment – K

**V. INDEBTEDNESS**

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

(Amount in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15377.37	10037.38	-	25414.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	825.98	90.09	-	916.07
<b>Total (i+ii+iii)</b>	<b>16203.35</b>	<b>10127.47</b>	<b>-</b>	<b>26330.82</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	16889.59	3393.60	-	20283.19
• Reduction	13670.88	10169.01	-	23839.90
<b>Net Change</b>	<b>3218.71</b>	<b>-6775.42</b>	<b>-</b>	<b>-3556.71</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18498.25	3143.62	-	21641.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but	923.81	208.43	-	1132.24

not due				
Total (i+ii+iii)	19422.06	3352.05	-	22774.11

# **ATTACHMENT I**

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

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

For and on behalf of the Board of Directors  
Edelweiss Finvest Private Limited



Amit Dhawan  
Managing Director & CEO  
DIN No.: 02800746



Ashish Khehar  
Director  
DIN No.: 07789972

Date: May 13, 2019  
Place: Mumbai

**INDEPENDENT AUDITOR'S REPORT****To the Members of Edelweiss Finvest Private 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 Finvest Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 standalone 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, 2019, 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 standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS 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 standalone Ind AS 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 Ind AS 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 Ind AS financial statements.





# S.R. BATLIBOI & Co. LLP

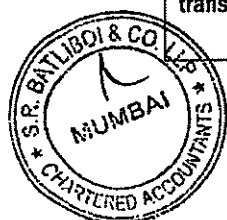
Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

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Key audit matters	How our audit addressed the key audit matter
<b>Impairment of receivables from financing business</b> (as described in note 12 of the standalone Ind AS financial statements)	
<p>The Company's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109. Under this approach, the management has been required to exercise significant judgement in areas such as;</p> <ul style="list-style-type: none"><li>• calculation of past default rates</li><li>• assigning rating grades to loans for which external rating is not available</li><li>• calibrating external ratings-linked probability of default to align with past default rates</li><li>• applying macro-economic factors to arrive at forward looking probability of default</li><li>• significant assumptions regarding the probability of various scenarios and discounting rates for different loan products</li></ul> <p>In view of the high degree of estimation involved in the process of calculating impairment provision and considering its significance to the overall financial statements, whereby any error or omission in estimation may give rise to a material misstatement of the standalone Ind AS financial statements, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"><li>• Our audit procedures included considering the appropriateness of the Company's accounting policies for impairment of financial assets and assessing compliance with Ind AS 109.</li><li>• We performed test of controls on classification of receivables into various stages through inspection of evidence and re-performance of those controls.</li><li>• We performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans.</li><li>• We assessed<ul style="list-style-type: none"><li>• the Company's expected credit loss provisioning methodology</li><li>• the models used in determining the impairment provision</li><li>• the appropriateness of the historical data and the external rating considered for calculating the default and loss given default rates</li><li>• the key assumptions especially in respect of the macro-economic factors and discounting rates</li></ul></li><li>• We tested the arithmetical accuracy of the models.</li><li>• Performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimate determined by the management.</li><li>• We reviewed the relevant disclosures made in the standalone Ind AS financial statements in accordance with the requirements of Ind AS 109 and Ind AS 107.</li></ul>
<b>Transition to IND AS accounting framework</b> (as described in note 49 of the standalone Ind AS financial statements)	
<p>The standalone IND AS financial statements are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, for transition to Ind AS, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS.</p>	<p>Our audit procedures included considering the appropriateness of the processes laid down by the management to implement such transition combined with procedures performed as follows:</p> <ul style="list-style-type: none"><li>• We reviewed the nature of the Ind AS adjustments based on the applicable Ind AS and previous period accounting policies prepared in accordance with IGAAP.</li><li>• We reviewed the first-time adoption exemptions availed by the Company as per 'Ind AS 101 First-Time Adoption of Indian Accounting Standards'.</li><li>• Performed test of details by inspection of contracts, documents and policies to assess the appropriateness of the Ind AS adjustments</li><li>• We tested the arithmetical accuracy of the Ind AS adjustments</li><li>• We reviewed the disclosures with respect to the transition in accordance with the requirements of Ind AS 101.</li></ul>



Key audit matters	How our audit addressed the key audit matter
<p>Some of the key Ind AS impact items in case of the Company are;</p> <ul style="list-style-type: none"> <li>• Impairment provisioning as per expected credit loss approach</li> <li>• Recognition of interest income/ expense as per the effective interest rate method</li> <li>• Fair valuation of financial instruments</li> </ul> <p>In view of the material impact and the complexity of implementation of the Ind AS framework, the transition to Ind AS was of particular importance for our audit as any error could lead to material misstatement in the preparation and presentation of the standalone Ind AS financial statements.</p>	
<p><b>IT systems</b></p> <p>The reliability and security of IT systems play a key role in the financial reporting process of the Company. The Company's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>Our audit procedures assisted by our IT specialists, included;</p> <p>General IT controls: We tested the governance and other higher controls operating over the IT environment of the Company, including system access and system change management. We considered the appropriateness of the access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p> <p>Application controls: We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the 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.

#### Responsibilities of Management and those Charged with Governance for the standalone Ind AS Financial Statements

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



accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are 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 standalone 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 the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 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**

1. The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 ('IGAAP') audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 02, 2018 and May 16, 2017 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
2. The transition date opening balance sheet of the Company as at April 01, 2017 include the financial information on account of merger impact of transfer of assets and liabilities from Edelweiss Finance and Investment with effective date August 01, 2017 [refer Note 51.1 to the standalone Ind AS financial statements]. The said financial information included in these standalone Ind AS financial statements are based on financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the other auditors, and have been restated to comply with Ind AS Adjustments made to the financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS, which have been audited by us.

**Report on Other Legal and Regulatory Requirements**

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
4. 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 standalone 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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;



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

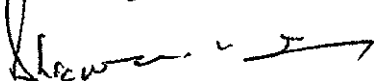
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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 41 to the Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 51.4 to the standalone Ind AS financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

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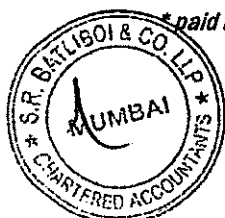
**Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Edelweiss Finvest Private Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us and audit procedures performed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added 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.
- (c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rs. in crore)	Amount paid* (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	8.38	2.42	AY 2014-15	The Commissioner of Income Tax (Appeals)

\* paid under protest



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Edelweiss Finvest Private Limited

Independent Auditor's Report for the year ended March 31, 2019

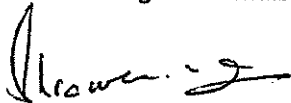
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- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.
- Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (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 the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



**Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Report on 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 Finvest Private Limited ("the Company") as of March 31, 2019 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 Act.

**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 Act, 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 financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these standalone Ind AS Financial Statements**

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

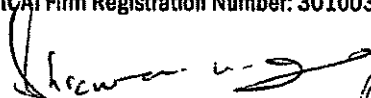
**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, 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 S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



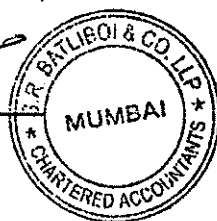
per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



**Edelweiss Finvest Private Limited**
**Balance Sheet as at March 31, 2019**

(Currency: Indian rupees in million)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>ASSETS</b>				
<b>Financial assets</b>				
(a) Cash and cash equivalents	8	4,670.11	363.75	70.20
(b) Derivative financial instruments	9	706.85	287.70	259.68
(c) Securities held for trading	10	1,142.86	1,699.74	1,230.94
(d) Receivables				
(i) Trade receivables	11	21.34	12.85	0.02
(ii) Other receivables	11	26.46	10.60	69.76
(e) Loans	12	24,560.55	27,977.43	14,363.67
(f) Investments	13	1,862.01	4,617.50	3,859.03
(g) Other financial assets	14	668.12	19.33	460.66
		<b>33,658.30</b>	<b>34,988.90</b>	<b>20,313.96</b>
<b>Non-financial assets</b>				
(a) Current tax assets (net)	15	147.32	146.82	106.05
(b) Deferred tax assets (net)	16	114.22	286.97	51.90
(c) Property, Plant and Equipment	17	1.35	1.13	1.10
(d) Other intangible assets	17	6.35	-	-
(e) Other non-financial assets	18	101.56	58.90	17.10
		<b>370.80</b>	<b>493.82</b>	<b>176.15</b>
<b>TOTAL ASSETS</b>		<b>34,029.10</b>	<b>35,482.72</b>	<b>20,490.11</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
(a) Derivative financial instruments	9	422.49	212.44	266.32
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	323.89	345.54	74.35
(c) Debt securities	20	22,275.76	17,970.76	12,945.64
(d) Borrowings (other than debt securities)	21	337.18	8,198.80	12.01
(e) Subordinated liabilities	22	161.17	161.26	161.12
(f) Other financial liabilities	23	22.74	16.54	58.65
		<b>23,543.23</b>	<b>26,905.34</b>	<b>13,518.09</b>
<b>Non-financial liabilities</b>				
(a) Current tax liabilities (net)	24	263.93	252.98	42.59
(b) Provisions	25	14.90	2.36	1.68
(c) Other non-financial liabilities	26	42.07	18.65	5.05
		<b>320.90</b>	<b>273.99</b>	<b>49.32</b>
<b>Equity</b>				
(a) Equity share capital	27	333.26	333.26	28.06
(b) Instruments entirely equity in nature	28	-	-	222.41
(c) Other equity	29	9,831.71	7,970.13	6,672.23
		<b>10,164.97</b>	<b>8,303.39</b>	<b>6,922.70</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>34,029.10</b>	<b>35,482.72</b>	<b>20,490.11</b>

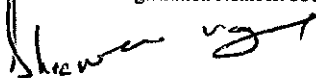
The accompanying notes are an integral part of the financial statements 1 to 52

As per our report of even date attached

For S. R. Batliboi &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

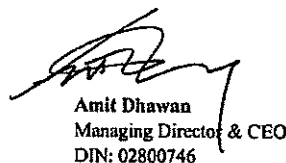


per Shrawan Jalan

Partner

Membership No: 102102

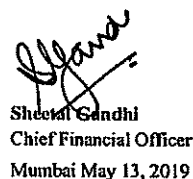
For and on behalf of the Board of Directors



Amit Dhawan  
Managing Director & CEO  
DIN: 02800746



Ashish Kehar  
Director  
DIN: 07789972



Sheetal Gandhi  
Chief Financial Officer  
Mumbai May 13, 2019



Niket Joshi  
Company Secretary

Mumbai May 13, 2019



**Edelweiss Finvest Private Limited**

**Statement of Profit and Loss for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from operations</b>			
Interest income	30	4,702.61	3,212.29
Dividend income	31	170.18	762.16
Fee income	32	119.39	84.75
Net gain / (loss) on fair value changes (including treasury income)	33	265.60	(184.84)
<b>Other income</b>	34	0.01	-
<b>Total Revenue</b>		<b>5,257.79</b>	<b>3,874.36</b>
<b>Expenses</b>			
Finance costs	35	2,264.01	1,504.49
Impairment on financial instruments	36	119.59	917.43
Employee benefits expense	37	112.76	36.10
Depreciation, amortisation and impairment	17	0.89	0.11
Other expenses	38	217.48	134.84
<b>Total expenses</b>		<b>2,714.73</b>	<b>2,592.97</b>
<b>Profit before tax</b>		<b>2,543.06</b>	<b>1,281.39</b>
<b>Tax expenses</b>			
(1) Current tax	39	670.17	477.90
(2) Deferred tax expense / (credit) (net)	39	164.87	(260.35)
<b>Profit for the year</b>		<b>1,708.02</b>	<b>1,063.84</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		(1.89)	0.08
Income tax - OCI - that will not be reclassified		0.66	(0.03)
<b>Total</b>		<b>(1.23)</b>	<b>0.05</b>
<b>Total comprehensive income</b>		<b>1,706.79</b>	<b>1,063.89</b>
<b>Earnings per equity share (Face value of Rs. 10 each):</b>			
(1) Basic (INR)	40	51.25	94.49
(2) Diluted (INR)	40	51.25	34.81

The accompanying notes are an integral part of the financial statements

1 to 52

As per our report of even date attached

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

*[Signature]*

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

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

*[Signature]*  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

*[Signature]*  
Ashish Kehair  
Director  
DIN: 07789972

*[Signature]*  
Sheetal Gandhi  
Chief Financial Officer

*[Signature]*  
Niket Joshi  
Company Secretary

Mumbai May 13, 2019



**Edelweiss Finvest Private Limited**
**Statement of Changes in Equity for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**A. Equity Share Capital**

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019	Outstanding as on April 1, 2017	Issued during the year	Outstanding as on March 31, 2018
Issued, subscribed and paid up (Equity shares of Rs.10 each, fully paid-up)	333.26	-	333.26	28.06	305.20	333.26

**B. Instruments entirely equity in nature**

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019	Outstanding as on April 1, 2017	Converted during the year	Outstanding as on March 31, 2018
Compulsorily convertible non- cumulative preference shares Issued, subscribed and fully paid up of Rs. 10 each						
Series A	-	-	-	3.34	(3.34)	-
Series B	-	-	-	113.45	(113.45)	-
Series C	-	-	-	105.62	(105.62)	-

**B. Other Equity**

	Share capital pending allotment *	Capital redemption reserve	Securities Premium	Statutory Reserve	Retained Earnings	Deemed Capital Contribution - Equity	Total Attributable to equity holders
Balance as at 1st April 2017	82.79	84.34	3,743.44	534.56	2,226.42	0.68	6,672.23
Profit for the year	-	-	-	-	1,063.84	-	1,063.84
Other comprehensive income	-	-	-	-	0.05	-	0.05
	82.79	84.34	3,743.44	534.56	3,290.31	0.68	7,736.12
Shares issued during the year	(82.79)	-	-	-	-	-	(82.79)
Premium received on issue of debentures	-	-	9.11	-	-	-	9.11
Income tax impact on ESOPs	-	-	-	-	6.12	-	6.12
Transfer to statutory reserve	-	-	-	266.44	(266.44)	-	-
ESOPs charged during the year	-	-	-	-	-	1.57	1.57
Deemed distribution during the year	-	-	-	-	300.00	-	300.00
Balance as at March 31, 2018	-	84.34	3,752.55	801.00	3,329.99	2.25	7,970.13
Profit for the year	-	-	-	-	1,708.02	-	1,708.02
Other comprehensive income	-	-	-	-	(1.23)	-	(1.23)
	-	84.34	3,752.55	801.00	5,036.78	2.25	9,676.92
Premium received on issue of debentures	-	-	163.33	-	-	-	163.33
Income tax impact on ESOPs	-	-	-	-	(8.54)	-	(8.54)
Transfer to statutory reserve	-	-	-	341.60	(341.60)	-	-
Balance as at March 31, 2019	-	84.34	3,915.88	1,142.60	4,686.64	2.25	9,831.71

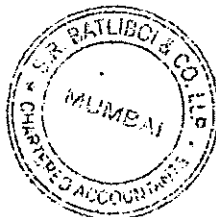
\* Share capital pending allotment on account of merger (Refer note 51.1)

As per our report of even date attached.

For S. R. Batliboi &amp; Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

 per Shrawan Jalan  
Partner  
Membership No: 102102


Mumbai May 13, 2019

For and on behalf of the Board of Directors

  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

  
Shashi Gandhi  
Chief Financial Officer  
Mumbai May 13, 2019

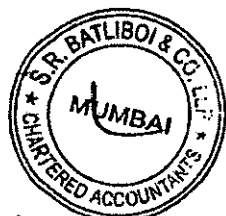
  
Ashish Kehair  
Director  
DIN: 07789972

  
Niket Joshi  
Company Secretary


**Edelweiss Finvest Private Limited**
**Statement of Cash flows for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A Cash flow from operating activities</b>		
Profit before tax	2,543.06	1,281.39
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation	0.89	0.11
Impairment on financial instruments (net)	119.59	917.43
Fair value of financial instruments (net)	(167.73)	925.99
Interest income on preference shares	-	(7.33)
Provision for gratuity and compensated absences	10.65	0.76
Expense on employee stock option scheme	-	1.57
Loss on sale of of fixed assets (net)	(0.19)	-
<b>Working capital changes (net)</b>	<b>2,506.27</b>	<b>3,119.92</b>
Trade and other receivables	(23.42)	46.31
Securities held for trading	529.37	(1,220.28)
Other financial assets	(1,005.96)	409.72
Loans	3,296.36	(14,531.17)
Investments	2,888.75	(590.69)
Other non financial assets	(42.66)	(41.80)
Trade payables	(21.65)	271.19
Non financial liabilities	23.42	13.60
Other financial liability	438.37	(212.78)
	<b>8,588.85</b>	<b>(12,735.98)</b>
Income taxes paid	(659.72)	(308.28)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>7,929.13</b>	<b>(13,044.26)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(8.13)	(0.14)
Sale of property, plant and equipment and intangible assets	0.86	-
<b>Net cash used in investing activities - B</b>	<b>(7.27)</b>	<b>(0.14)</b>
<b>C Cash flow from financing activities</b>		
Increase in debt securities (refer note 1 below)	4,246.27	5,150.79
(Decrease) / increase in borrowings other than debt securities (refer note 1 below)	(7,861.77)	8,187.16
<b>Net cash (used in) / generated from financing activities - C</b>	<b>(3,615.50)</b>	<b>13,337.95</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,306.36</b>	<b>293.55</b>
Cash and cash equivalent as at the beginning of the year	363.75	70.20
Cash and cash equivalent as at the end of the year	4,670.11	363.75
	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>Operational cash flows from interest and dividends</b>		
Interest paid	2,058.56	1,646.59
Interest received	4,213.58	2,846.79
Dividend received	170.18	809.10



**Edelweiss Finvest Private Limited**

**Statement of Cash flows for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**Cash Flow Statement (continued)**

Notes:

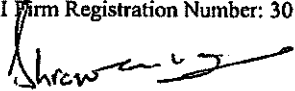
- 1 Net figures have been reported on account of volume of transactions.
- 2 Refer note 43 for disclosure relating to changes in liabilities arising from financing activities

As per our report of even date attached

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per Shrawan Jalan

Partner

Membership No: 102102



Mumbai May 13, 2019

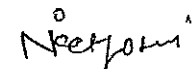
**For and on behalf of the Board of Directors**

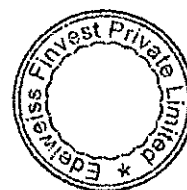
  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

  
Shital Gandhi  
Chief Financial Officer

Mumbai May 13, 2019

  
Ashish Kehair  
Director  
DIN: 07789972

  
Niket Joshi  
Company Secretary



**1. Corporate information:**

Edelweiss Finvest Private Limited ('the Company') a private limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of ECap Equities Limited. The Company was incorporated on August 23, 2006, and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company is primarily engaged in the business of corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and real estate finance to developers and under the retail credit vertical it offers loan against securities.

**2. Basis of preparation:**

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).

For all periods up to and including the year ended March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 49 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

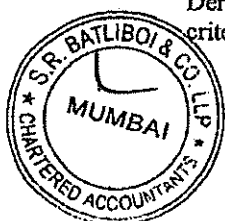
**3. Presentation of financial statements:**

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 44-Maturity Analysis of assets and liabilities".

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

Derivative assets and liabilities with master netting arrangements [e.g. ISDAs (International Swaps and Derivatives Association)] are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.



#### 4. Significant accounting policies

##### 4.1 Recognition of interest income and dividend income

###### 4.1.1 Effective interest rate (EIR):

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 flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR 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 financial asset. 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.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

###### 4.1.2 Interest income:

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

###### 4.1.3 Dividend income:

The Company recognised dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

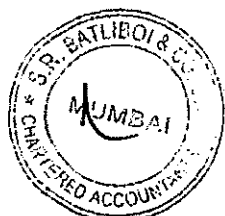
##### 4.2 Financial instruments:

###### 4.2.1 Date of recognition:

Financial assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date 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. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

###### 4.2.2 Initial measurement of financial instruments:

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





**4.2.3 Day 1 profit and 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.

**4.2.4 Classification & measurement categories of financial assets and liabilities:**

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:

**Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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. The changes in carrying value of financial assets is recognised in profit and loss account.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

**Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

**4.3 Financial assets and liabilities:**

**4.3.1 Amortized cost and effective interest method**

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

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

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



**4.3.2 Financial assets held for trading:**

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

**4.3.3 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 FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

**4.3.4 Financial liabilities:**

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

**4.3.5 Derivative financial instruments:**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

**4.3.6 Debt securities and other borrowed funds:**

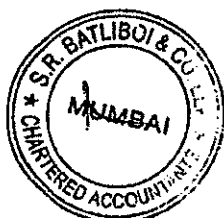
The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

**4.3.7 Financial assets and financial liabilities at fair value through profit or loss:**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group 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



- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

#### 4.3.8 Loan commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

#### 4.3.9 Financial liabilities and equity instruments

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

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

#### 4.4 Reclassification of financial assets and 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. The Company didn't reclassify any of its financial assets or liabilities in current period and previous period.

#### 4.5 Derecognition of financial Instruments:

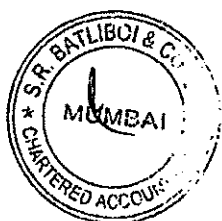
##### 4.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group 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 the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a



contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

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.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

#### 4.5.2 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, is recognised statement of profit and loss.

#### 4.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.



ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

#### **Simplified approach**

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.

#### **General approach**

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

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

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (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.

Company categories its financial assets as follows:

##### **Stage 1 assets:**

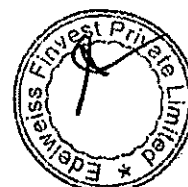
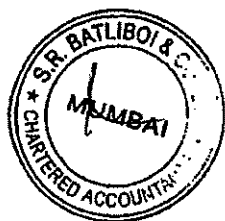
Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

##### **Stage 2 assets:**

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

##### **Stage 3 assets:**

Stage 3 for Assets considered credit-impaired the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.



Notes to the financial statement for the year ended March 31, 2019

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

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.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facilities with a right to Company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

**4.7 Collateral valuation:**

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

**4.8 Collateral repossessed:**

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

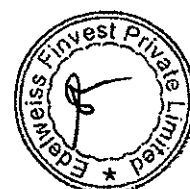
In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

**4.9 Write-offs:**

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

**4.10 Determination of fair value:**

The Company measures financial instruments, such as, derivatives at fair value at each reporting 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;



Notes to the financial statement for the year ended March 31, 2019

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

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

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

**Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments:**

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments:**

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

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

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

**4.11 Operating leases:**

The determination of whether an arrangement is lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

**4.12 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.



Notes to the financial statement for the year ended March 31, 2019

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.

**4.13 Foreign currency transaction:**

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

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

**4.14 Retirement and other employee benefit:**

**4.14.1 Provident fund:**

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.

**4.14.2 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.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, 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.

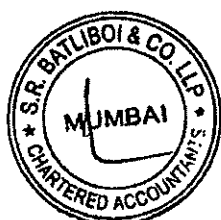
Remeasurement are not reclassified to profit or loss in subsequent periods.

**4.14.3 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.

**4.14.4 Deferred bonus:**

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles.





**4.14.5 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 equity-settled employee benefits reserve.

**4.15 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 are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

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

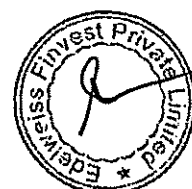
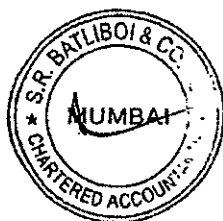
As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	Estimated useful lives
Building (other than factory building)	60 years
Vehicles	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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**4.16 Intangible assets:**

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**4.17 Impairment of non-financial assets:**

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

**4.18 Provisions and other contingent liabilities:**

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

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

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

**4.19 Income tax expenses:**

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

**4.19.1 Current tax:**

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

**4.19.2 Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the



Notes to the financial statement for the year ended March 31, 2019

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.

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.

**4.19.3 Current and deferred tax for the year:**

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

**4.20 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. Significant accounting judgements, estimates and assumptions :**

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.

**Critical judgements in applying accounting policies:**

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**5.1 Business model assessment :**

Classification and measurement of financial assets depends on the results of the sole payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial



Notes to the financial statement for the year ended March 31, 2019

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.

**5.2 Significant increase in credit risk:**

As explained in note 48.D.1, 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. 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.

**Key sources of estimation uncertainty:**

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

**5.3 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.

**5.4 Effective Interest Rate (EIR) Method:**

The Company's EIR methodology, as explained in Note 4.1.1, 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 potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

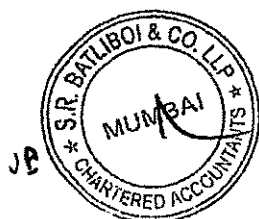
This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

**5.5 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:

- PD calculation 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 and the qualitative assessment



Notes to the financial statement for the year ended March 31, 2019

- 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, EAD and LGD
- 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.

**5.6 Impairment of Non-Financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**5.7 Provisions and contingent liabilities:**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

**5.8 Provisions for Income Taxes:**

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**6. Standards issued but not yet effective :**

**Ind AS 116 Leases:**

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.



**Prepayment Features with Negative Compensation (Amendments to Ind AS 109):**

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.

The application of these amendments is not likely to have a material impact on the Financial Statements.

**Annual Improvements to Ind AS (2018):**

**Ind AS 12 Income taxes:**

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

**Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19):**

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019. The application of these amendments is not likely to have a material impact on the Financial Statements.

**Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12):**

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019.

Accounts for the previous year ended March 31, 2018 were audited by previous auditors – Price Waterhouse & Co LLP.



**Edelweiss Finvest Private Limited**

**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**8. Cash and cash equivalents**

Cash in hand  
Cash in hand

**Balances with banks**

- in current accounts  
- in fixed deposits with banks  
- in fixed deposits with banks to the extent held as security against borrowings (refer note 8.A below)

Fixed deposit balances with banks earn interest at fixed rate

**8.A Encumbrances on fixed deposits held by the Company :**

Fixed deposits pledged against overdraft facility  
RBL Bank Limited

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash in hand	-	0.01	0.01
Balances with banks			
- in current accounts	118.19	313.73	20.18
- in fixed deposits with banks	4,501.91	-	-
- in fixed deposits with banks to the extent held as security against borrowings (refer note 8.A below)	50.01	50.01	50.01
	<b>4,670.11</b>	<b>363.75</b>	<b>70.20</b>
Fixed deposits pledged against overdraft facility			
RBL Bank Limited	50.01	50.01	50.01
	<b>50.01</b>	<b>50.01</b>	<b>50.01</b>



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

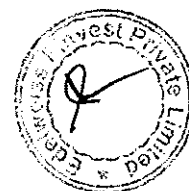
**9. Derivative financial instruments**

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts / units held.

March 31, 2019							
Particulars	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Fair value liability
(i) Equity linked derivatives							
Stock Futures	No of Shares	INR	947,349	13.79	No of Shares	INR	1.24
Less: amounts offset				(13.79)			(1.24)
(Refer Note 9.A)							
Subtotal(i)				-			-
(ii) Index linked derivatives							
Index Futures	Index Units	INR	191,175	20.55			-
Options purchased	Index Units	INR	213,150	379.35			-
Options sold (written)				-	Index Units	INR	1.33
Less: amounts offset				(20.55)			(1.33)
(Refer Note 9.A)							
Subtotal(ii)				379.35			-
(iii) Embedded derivatives							
In market linked debentures				327.50			422.49
Subtotal(iii)				327.50			422.49
<b>Total Derivative Financial Instruments</b>				<b>706.85</b>			<b>422.49</b>

March 31, 2018							
Particulars	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Fair value liability
(i) Equity linked derivatives							
Stock Futures	No of Shares	INR	211,725	1.10	No of Shares	INR	0.56
Less: amounts offset				(1.10)			(0.56)
(Refer Note 9.A)							
Subtotal(i)				-			-
(ii) Index linked derivatives							
Index Futures	Index Units	INR	38,925	0.77			-
Options purchased	Index Units	INR	44,475	0.03			-
Options sold (written)				-	Index Units	INR	10.56
Less: amounts offset				(0.77)			(10.56)
(Refer Note 9.A)							
Subtotal(ii)				0.03			-
(iii) Embedded derivatives							
In market linked debentures				287.67			212.44
Subtotal(iii)				287.67			212.44
<b>Total Derivative Financial Instruments</b>				<b>287.70</b>			<b>212.44</b>





**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**9. Derivative financial instruments (continued)**

Particulars	April 01, 2017							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
<b>(i) Equity linked derivatives</b>								
Stock Futures	No of Shares	INR	1,353,600	2.31	No of Shares	INR	2,886,000	16.27
Less: amounts offset				(2.31)				(16.27)
(Refer Note 9.A)								
<b>Subtotal(i)</b>				-				-
<b>(ii) Index linked derivatives</b>								
Index Futures	Index Units	INR	157,800	18.51				-
Options purchased	Index Units	INR	95,625	40.96				-
Options sold (written)				-	Index Units	INR	94,050	8.07
Less: amounts offset				(18.51)				(8.07)
(Refer Note 9.A)								
<b>Subtotal(ii)</b>				40.96				-
<b>(iii) Embedded derivatives</b>								
In market linked debentures				218.72				266.32
<b>Subtotal(iii)</b>				218.72				266.32
<b>Total Derivative Financial Instruments</b>				<b>259.68</b>				<b>266.32</b>

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

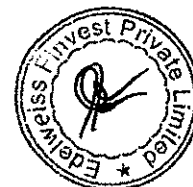
\*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Refer Note 4.3.6 and 4.3.7 for further details.

**Hedging activities and derivatives**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 48.

**Derivatives designated as hedging instruments**

The Company has not designated any derivatives as hedging instruments



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 9.A Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-19	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial assets	Collaterals paid	Assets after consideration of netting potential			
Derivative Assets	34.34	(34.34)	-	-	-	-	706.85	706.85	706.85
Margin placed with broker*	634.57	31.77	666.34	-	-	666.34	-	666.34	666.34

### Financial Liabilities subject to offsetting, netting arrangements

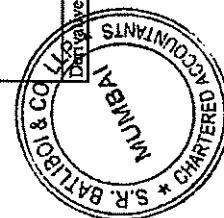
As at 31-Mar-19	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential			
Derivative Liabilities	2.57	(2.57)	-	-	-	-	422.49	422.49	422.49

### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-18	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial assets	Collaterals paid	Assets after consideration of netting potential			
Derivative Assets	1.87	(1.87)	-	-	-	-	287.70	287.70	287.70
Margin placed with broker*	28.58	(9.25)	19.33	-	-	19.33	-	19.33	19.33

### Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-18	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential			
Derivative Liabilities	11.12	(11.12)	-	-	-	-	212.44	212.44	212.44



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 9.A Offsetting (continued)

### Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-17	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial assets	Collaterals paid	Assets after consideration of netting potential			
Derivative Assets	20.82	(20.82)	-	-	-	-	259.68	259.68	259.68
Margin placed with broker*	399.78	(3.52)	396.26	-	-	396.26	-	396.26	396.26

### Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-17	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential			
Derivative Liabilities	24.34	(24.34)	-	-	-	-	266.32	266.32	266.32

\*Note: As at the reporting date, cash margin received that has been offset against the gross derivative assets. Also, cash margin paid that has been offset against the gross derivative liabilities.



# Edelweiss Finvest Private Limited

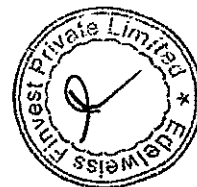
Notes to the financial statements for the year ended March 31, 2019

(Currency/Indian rupees in million)

## 10. Securities held for trading:

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount
<i>At fair value through profit and loss account</i>									
<b>Debt Securities</b>									
10.70% Dewan Housing Finance Limited 10.06.2021 Bonds	1,000,000	100	104.59	-	-	-	-	-	-
8.90% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	300,000	300.36	-	-	-	-	-	-
9.00% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	446,000	417.56	-	-	-	-	-	-
9.60% SREI Equipment Finance Limited 25.05.2028 Bonds	1,000	314,673	320.35	-	-	-	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly	-	-	-	1,000	315	0.37	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly Cumulative	-	-	-	1,000	7,471	13.11	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Monthly Cumulative	-	-	-	1,000	53,305	87.53	-	-	-
<b>Total Debt Securities (A)</b>			<b>1,142.86</b>			<b>101.01</b>			
<b>Mutual Fund (Unquoted)</b>									
JM Equity Fund - Monthly Dividend Option - Payout	-	-	-	20.95	83,517,071	998.73	-	-	-
BOI Axa Treasury Advantage Fund - Direct Plan - Growth	-	-	-	2,125.00	235,293	500.00	-	-	-
<b>Total Mutual Fund (B)</b>						<b>1,498.73</b>			
<b>Equity Instruments (Quoted)</b>									
ICICI Securities Limited	-	-	-	10	192,304	100.00	289.00	1,333,600	390.92
Hindustan Zinc Limited	-	-	-	-	-	-	145.00	1,218,000	177.71
Power Finance Corporation Limited	-	-	-	-	-	-	10.00	1,260,000	662.31
Hindustan Petroleum Corporation Limited	-	-	-	-	-	-	-	-	-
<b>Total Equity Instruments (C)</b>						<b>100.00</b>			<b>1,230.94</b>
<b>Total (A+B+C)</b>			<b>1,142.86</b>			<b>1,699.74</b>			<b>1,230.94</b>

Refer note 47 - Fair value measurement for valuation methodologies for securities held for trading



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**11. Receivables**
**a) Trade receivables**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Receivables considered good - unsecured	21.34	12.85	0.02
Receivables - credit impaired	56.49	57.43	57.40
	77.83	70.28	57.42
Allowance for expected credit losses			
Receivables - credit impaired	(56.49)	(57.43)	(57.40)
Trade receivables (a)	21.34	12.85	0.02

**b) Other receivables**

Receivables considered good - unsecured \$	26.46	10.60	69.76
Other receivables (b)	26.46	10.60	69.76
Total receivables (a+b)	47.80	23.45	69.78

\$ Includes receivables from companies in the same group. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

**c) Reconciliation of impairment allowance on trade receivables:**

	As at March 31, 2019	As at March 31, 2018
Impairment allowance measured as per simplified approach		
Impairment allowance - opening balance	57.43	57.40
Add/ (less): asset originated or acquired (net)	(0.94)	0.03
Impairment allowance - closing balance	56.49	57.43

**Notes:**

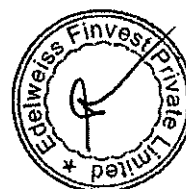
1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person

2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.

**d) Trade receivables days past due**

As at March 31, 2019	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	21.34	-	-	56.49	77.83
ECL - Simplified approach	-	-	-	-	56.49	56.49
Net carrying amount	-	21.34	-	-	-	21.34
As at March 31, 2018	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	12.85	-	-	57.43	70.28
ECL - Simplified approach	-	-	-	-	57.43	57.43
Net carrying amount	-	12.85	-	-	-	12.85
As at April 01, 2017	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	0.02	-	-	57.40	57.42
ECL - Simplified approach	-	-	-	-	57.40	57.40
Net carrying amount	-	0.02	-	-	-	0.02

\*Includes receivables from stock exchanges / clearing house. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

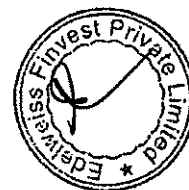


# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>12. Loans (at amortised cost)</b>			
<b>Term Loans;</b>			
Corporate credit	19,733.51	27,000.13	14,468.66
Retail credit	5,308.69	1,821.98	112.79
<b>Total gross</b>	<b>25,042.20</b>	<b>28,822.11</b>	<b>14,581.45</b>
Less: Impairment loss allowance (Refer note 12.A)	(481.65)	(844.68)	(217.78)
<b>Total net</b>	<b>24,560.55</b>	<b>27,977.43</b>	<b>14,363.67</b>
<b>Collateral :</b>			
<b>Secured by</b>			
Secured by tangible assets (property including land & building)	12,676.39	15,182.08	5,911.59
Secured by inventories, unlisted securities, project receivables & other marketable securities	9,688.87	13,101.19	6,030.49
Unsecured	2,676.94	538.84	2,639.37
<b>Total gross</b>	<b>25,042.20</b>	<b>28,822.11</b>	<b>14,581.45</b>
Less: Impairment loss allowance (Refer note 12.A)	(481.65)	(844.68)	(217.78)
<b>Total net</b>	<b>24,560.55</b>	<b>27,977.43</b>	<b>14,363.67</b>
<b>Loans in India</b>			
Public sector	-	-	-
Others	25,042.20	28,822.11	14,581.45
<b>Total gross</b>	<b>25,042.20</b>	<b>28,822.11</b>	<b>14,581.45</b>
Less: Impairment loss allowance (Refer note 12.A)	(481.65)	(844.68)	(217.78)
<b>Total net</b>	<b>24,560.55</b>	<b>27,977.43</b>	<b>14,363.67</b>



# **Edelweiss Finvest Private Limited**

## **Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

### **12.A Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48.D.1 and policies on ECL allowances are set out in Note 4.6

#### **a) Credit quality of assets**

	As at March 31, 2019			As at March 31, 2018			As at March 31, 2017		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
Performing									
High grade	20,102.42	-	-	20,102.42	25,283.62	-	-	25,283.62	11,805.51
Standard grade	-	4,828.65	-	4,828.65	-	3,032.29	-	3,032.29	-
Non-performing									
Individually impaired	-	-	111.13	111.13	-	-	506.20	506.20	-
	20,102.42	4,828.65	111.13	25,042.20	25,283.62	3,032.29	506.20	28,822.11	11,805.51
									2,775.94
									14,581.45

#### **b) Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:**

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporate and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

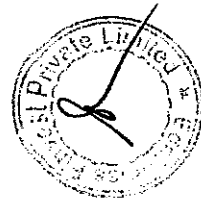
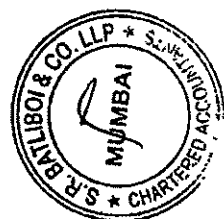
The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

#### **Reconciliation / movement for the year ended March 31, 2019**

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1 Gross Carrying Amount	Stage 2 Allowance for ECL	Stage 3 Gross carrying Amount	Stage 2 Allowance for ECL	Stage 3 Gross carrying Amount	Stage 3 Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening Balance	25,283.62	268.33	3,032.29	83.06	506.20	493.29	28,822.11	844.68
Transfer of financial assets:								
Stage 2 to Stage 1	273.53	0.01	(273.53)	(0.01)	-	-	-	-
Stage 1 to Stage 2	(1,997.08)	(21.34)	1,997.08	21.34	-	-	-	-
Stage 1 to Stage 3	(106.84)	(0.62)	-	-	106.84	0.62	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	0.00	-	47.11	-	40.78	-	87.89
New assets originated / repayments received (net) *	(3,350.81)	26.65	72.81	4.16	(18.36)	1.82	(3,296.36)	32.63
Amounts written off	-	-	-	-	(483.55)	(483.55)	(483.55)	(483.55)
Closing Balance	20,102.42	273.03	4,828.65	155.66	111.13	52.96	25,042.20	481.65

\* Amount less than Rs. 50,000

\* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

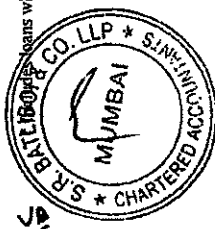
(Currency: Indian rupees in million)

## 12.A Credit quality of assets (continued)

Reconciliation / movement for the year ended March 31, 2018

Particulars	Non Credit Impaired			Credit Impaired		Total	
	Stage 1 Gross Carrying Amount	Stage 1 Allowance for ECL	Stage 2 Gross carrying Amount	Stage 2 Allowance for ECL	Stage 3 Gross carrying Amount	Stage 3 Allowance for ECL	Allowance for ECL
Opening Balance	11,805.52	99.75	2,775.94	118.03	-	14,581.46	217.78
Transfer of Financial Assets:							
Stage 2 to Stage 1	-	-	-	-	-	-	-
Stage 1 to Stage 2	-	-	-	-	-	-	-
Stage 1 to Stage 3	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-
New assets originated / repayments received (net) *	13,478.10	168.58	567.45	(28.50)	506.20	14,551.75	633.37
Amounts written off	-	-	(311.10)	(6.47)	-	(311.10)	(6.47)
ECL Allowance - Closing Balance	25,283.62	268.33	3,032.29	83.06	506.20	28,822.11	844.68

\* Represents loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year.





**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**13. Investments**
**13.A Summary of Investments**

As at March 31, 2019	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	6.58	-	6.58	590.14	596.72
Preference Shares	-	-	37.27	-	37.27	-	37.27
Security receipts	-	-	845.69	-	845.69	-	845.69
Units of AIF	-	-	290.68	-	290.68	-	290.68
Units of venture fund	-	-	91.65	-	91.65	-	91.65
<b>TOTAL - Gross (A)</b>	-	-	1,271.87	-	1,271.87	590.14	1,862.01
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,271.87	-	1,271.87	590.14	1,862.01
<b>Total (B)</b>	-	-	1,271.87	-	1,271.87	590.14	1,862.01
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	1,271.87	-	1,271.87	590.14	1,862.01

As at March 31, 2018	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	3.63	-	3.63	590.14	593.77
Preference Shares	-	-	25.69	-	25.69	-	25.69
Security receipts	-	-	3,692.00	-	3,692.00	-	3,692.00
Units of AIF	-	-	223.67	-	223.67	-	223.67
Units of venture fund	-	-	82.37	-	82.37	-	82.37
<b>TOTAL - Gross (A)</b>	-	-	4,027.36	-	4,027.36	590.14	4,617.50
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	4,027.36	-	4,027.36	590.14	4,617.50
<b>Total (B)</b>	-	-	4,027.36	-	4,027.36	590.14	4,617.50
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	4,027.36	-	4,027.36	590.14	4,617.50

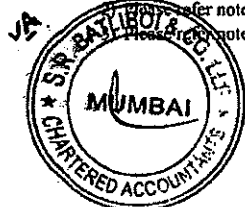
As at April 01, 2017	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	811.43	-	811.43	590.14	1,401.57
Preference Shares (refer note 1 below)	66.67	-	25.69	-	25.69	-	92.36
Security receipts	-	-	2,173.04	-	2,173.04	-	2,173.04
Units of AIF	-	-	29.16	-	29.16	-	29.16
Units of venture fund	-	-	52.75	-	52.75	-	52.75
Warrants	-	-	11.49	-	11.49	-	11.49
Units of mutual fund	-	-	98.66	-	98.66	-	98.66
<b>TOTAL - Gross (A)</b>	66.67	-	3,202.22	-	3,202.22	590.14	3,859.03
(i) Investments outside India	-	-	-	-	-	590.14	590.14
(ii) Investment in India	66.67	-	3,202.22	-	3,202.22	-	3,268.89
<b>Total (B)</b>	66.67	-	3,202.22	-	3,202.22	590.14	3,859.03
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	66.67	-	3,202.22	-	3,202.22	590.14	3,859.03

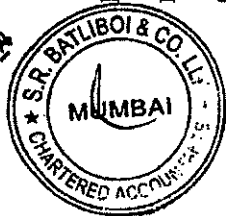
Notes:

1) No ECL is provided on the above preference shares, as they are issued by the same group company.

Please refer note 13.B - Investment details for further details

Please refer note 47 - Fair value measurement for valuation methodology





# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 13. Investments (continued)

### 13.B Investments in preference shares measured at amortised cost:

#### i) Credit quality of assets:

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48.D.1 and policies on ECL allowances are set out in Note 4.6

Particulars	March 31, 2019				March 31, 2018				April 01, 2017			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing	-	-	-	-	-	-	-	-	66.67	-	-	66.67
High grade	-	-	-	-	-	-	-	-	66.67	-	-	66.67

#### ii) Reconciliation of changes in gross carrying amount for investments in preference shares:

Particulars	March 31, 2019				March 31, 2018			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Gross carrying amount - opening balance	-	-	-	-	66.67	-	-	66.67
Unwinding of discount (recognised in interest income)	-	-	-	-	7.33	-	-	7.33
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	300.00	-	-	300.00
Assets derecognised or matured	-	-	-	-	(374.00)	-	-	(374.00)
Closing balance	-	-	-	-	-	-	-	-

No ECL is provided on the above preference shares, as they are issued by the same group company.



**Edelweiss Finvest Private Limited**

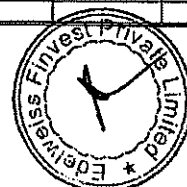
Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**13. Investments (continued)**
**13.B Scrip wise details of Investments**

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount
<b>Equity Instruments (Fully paid up)</b>									
<i>At fair value through profit and loss account</i>									
<i>Quoted</i>									
Gail (India) Limited	-	-	-	-	-	-	10	407,333	153.54
BSE Limited	-	-	-	-	-	-	1	298,000	291.34
<i>Unquoted</i>									
Tamilnad Mercantile Bank Limited	10	36,072	6.58	10	36,072	3.63	10	36,072	3.63
The Catholic Syrian Bank Limited	-	-	-	-	-	-	10	1,913,452	276.78
Vini Cosmetics Private Limited	-	-	-	-	-	-	10	51,969	86.14
<b>Total (A)</b>			<b>6.58</b>			<b>3.63</b>			<b>811.43</b>
<b>Equity Instruments (Fully paid up)</b>									
<i>At Cost</i>									
<b>Associate Companies</b>									
Edelweiss Retail Finance Limited	10	3,000,000	264.00	10	3,000,000	264.00	10	3,000,000	264.00
Edelweiss Asset Reconstruction Company Limited	10	15,254,550	326.14	10	15,254,550	326.14	10	15,254,550	326.14
<b>Total (B)</b>			<b>590.14</b>			<b>590.14</b>			<b>590.14</b>
<b>Preference Shares (Fully paid up)</b>									
<i>At fair value through profit and loss account</i>									
Zero coupon Series D non-cumulative compulsorily convertible preference shares of Bright Lifecare Private Limited	7,664	5,219	37.27	7,664	5,219	25.69	7,664	5,219	25.69
<i>At Amortised Cost</i>									
11% Non Cumulative Optionally convertible Preference shares of Edelweiss Broking Limited	-	-	-	-	-	-	10	374,000	66.67
<b>Total (C)</b>			<b>37.27</b>			<b>25.69</b>			<b>92.36</b>
<b>Securities Receipts</b>									
<i>At fair value through profit and loss account</i>									
EARC Trust SC 3	-	-	-	-	-	-	1,000	218,500	0.22
EARC Trust SC 6	-	-	-	1,000	218,500	88.08	1,000	218,500	88.08
EARC Trust SC 43	-	-	-	1,000	54,000	27.00	1,000	54,000	40.50
EARC Trust SC 55	-	-	-	1,000	46,800	23.40	1,000	46,800	35.10
EARC Trust SC 57	-	-	-	-	-	-	1,000	72,250	80.86
EARC Trust SC 109	-	-	-	1,000	524,900	662.71	1,000	633,500	630.38
EARC Trust SC 112	-	-	-	1,000	296,000	273.78	1,000	340,000	394.78
EARC Trust SC 177	1,000	124,750	122.41	1,000	124,750	119.82	1,000	124,750	115.74
EARC Trust SC 245	-	-	-	1,000	540,940	448.36	1,000	255,000	467.76
EARC Trust SC 229	-	-	-	1,000	255,000	191.25	1,000	534,650	255.00
EARC Trust SC 262 - Series 1	1,000	263,500	292.68	1,000	374,000	231.78	-	-	-
EARC Trust SC 297 - Series 1	1,000	331,820	358.55	1,000	895,914	934.79	-	-	-
EARC Trust SC 327 - Series 1	-	-	-	1,000	642,855	642.86	-	-	-
EARC Trust SC 337	1,000	90,567	57.93	-	-	-	-	-	-
EARC Trust SC 340	-	-	0.95	-	-	-	-	-	-
EARC SAF -3 Trust - Series 1	1,000	19,500	12.52	1,000	19,500	20.01	1,000	19,000	22.42
Edelweiss ARF-I Trust Scheme-1	-	-	-	1,000	56,728	23.49	1,000	56,728	35.24
Edelweiss ARF-I Trust Scheme-2	1,000	530	0.53	1,000	31,324	4.56	1,000	31,324	6.85
Edelweiss ARF-I Trust Scheme-3	1,000	40	0.04	1,000	43,899	0.04	1,000	43,899	0.04
Edelweiss ARF-I Trust Scheme-4	1,000	30	0.03	1,000	32,679	0.03	1,000	32,679	0.03
Edelweiss ARF-I Trust Scheme-5	1,000	40	0.04	1,000	35,370	0.04	1,000	35,750	0.04
<b>Total (D)</b>			<b>845.69</b>			<b>3,692.00</b>			<b>2,173.04</b>
<b>Units of AIF</b>									
<i>At fair value through profit and loss account</i>									
Edelweiss Private Equity Tech fund	100,000	568.94	80.41	100,000	568.94	62.12	100,000	291.60	29.16
Edelweiss Value and Growth Fund	100,000	1,952.35	210.27	100,000	1,592.65	161.55	-	-	-
<b>Total (E)</b>			<b>290.68</b>			<b>223.67</b>			<b>29.16</b>
<b>Units of venture fund</b>									
<i>At fair value through profit and loss account</i>									
KAE Capital Fund (India)	100,000	50	31.44	100,000	50.00	29.49	100,000	50.00	6.23
KAE Capital Fund II (India)	100,000	650	60.21	100,000	433.33	52.88	100,000	433.33	46.52
<b>Total (F)</b>			<b>91.65</b>			<b>82.37</b>			<b>52.75</b>
<b>Others - Warrants</b>									
<i>At fair value through profit and loss account</i>									
Kompass Capital Advisors Private Limited.	-	-	-	-	-	-	100	50,000	5.00
AT InvoFin India Pvt. Ltd. (Rs 2.5 paid up)	-	-	-	10	320,000	-	10	320,000	-
Bharti Shipyard Limited (Rs 5.5 paid up)	10	2,647,313	-	10	2,647,313	-	10	2,647,313	6.49
<b>Total (G)</b>									<b>11.49</b>
<b>Mutual Funds</b>									
<i>At fair value through profit and loss account</i>									
Reliance Money Manager Fund - Direct - Growth	-	-	-	-	-	-	1,000	34,927	98.66
<b>Total (H)</b>									<b>98.66</b>
<b>Total (A+B-C+D+E+F+G+H)</b>			<b>1,862.01</b>			<b>4,617.50</b>			<b>3,859.03</b>

Refer note 9 - Fair value measurement for valuation methodologies for investments



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 14. Other financial assets

Margin placed with broker (refer note 9.A)  
Accrued interest on margin  
Dividend receivable  
Other receivables  
Deposits- others

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Margin placed with broker (refer note 9.A)	666.34	19.33	396.26
Accrued interest on margin	1.78	-	-
Dividend receivable	-	-	46.94
Other receivables	-	-	16.46
Deposits- others	-	-	1.00
	<b>668.12</b>	<b>19.33</b>	<b>460.66</b>

## 15. Current tax assets (net)

Advance income taxes

(Net of provision for tax Rs. 251.69 million, March 31, 2018 Rs. 357.11 million and April 1, 2017 Rs. 251.92 million)

Advance income taxes	147.32	146.82	106.05
	<b>147.32</b>	<b>146.82</b>	<b>106.05</b>

## 16. Deferred tax assets (net)

### Deferred tax assets

#### Loans

Provision for expected credit loss

168.31 303.74 182.69

#### Investments and other financial instruments

Long term capital loss

21.39 17.39 -

Unrealised loss on derivative transactions

0.50 5.93 11.99

Unrealised loss on investments

6.04 36.93 11.38

#### Employee benefit obligations

Disallowances under section 43B of the Income Tax Act, 1961

5.21 0.82 32.70

#### Fair valuation of employee stock options

- 8.54 2.42

#### Borrowings

Adjustment of effective interest rate on borrowings

66.83 64.69 -

**268.28 438.04 241.18**

### Deferred tax liabilities

#### Property, plant and equipment and intangibles

Difference between book and tax depreciation

0.37 0.07 0.08

#### Investments and other financial instruments

Unrealised gain on derivative transactions

22.16 0.68 9.89

Unrealised gain on investments

131.53 108.17 157.20

#### Borrowings

Adjustment of effective interest rate on Borrowings

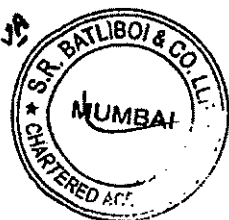
- - 22.11

#### Others

- 42.15 -

**154.06 151.07 189.28**

**114.22 286.97 51.90**



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

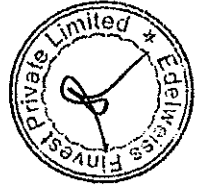
(Currency: Indian rupees in million)

## 17. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment				Intangible Assets	
	Building (Flat) <sup>s</sup>	Vehicles	Office equipment	Computers	Computer Software	Total
<b>Deemed cost*</b>						
As at April 1, 2017	1.10	-	-	-	-	1.10
Additions	-	-	-	0.14	-	0.14
Disposals	-	-	-	-	-	-
as at March 31, 2018	1.10	-	-	0.14	-	1.24
Additions	-	0.80	-	0.40	6.93	8.13
Disposals	-	(0.80)	-	-	-	(0.80)
as at March 31, 2019	1.10	-	-	0.54	6.93	8.57
<b>Depreciation / Amortisation:</b>						
As at April 1, 2017*	-	-	-	-	-	-
Depreciation/amortisation for the year	0.05	-	-	0.06	-	0.11
Disposals	-	-	-	-	-	-
as at March 31, 2018	0.05	-	-	0.06	-	0.11
Depreciation/amortisation for the year	0.05	0.13	-	0.13	0.58	0.89
Disposals	-	(0.13)	-	-	-	(0.13)
as at March 31, 2019	0.10	-	-	0.19	0.58	0.87
<b>Net Book Value</b>						
As at April 01, 2017	1.10	-	-	-	-	1.10
As at March 31, 2018	1.05	-	-	0.08	-	1.13
As at March 31, 2019	1.00	-	-	0.35	6.35	7.70

\* Charge against secured redeemable non-convertible debentures (Refer note 20.A)

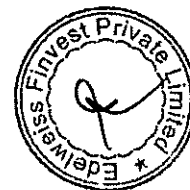
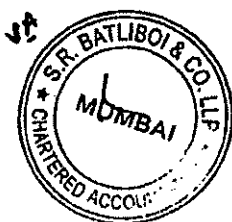
\*The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>18. Other non-financial assets</b> (Unsecured considered good, unless stated otherwise)			
Input tax credit	100.20	55.69	7.97
Prepaid expenses	0.50	0.50	1.76
Vendor Advances	0.85	2.70	6.32
Advances recoverable in cash or in kind or for value to be received	-	-	0.01
Advances to employees	0.01	0.01	0.01
Others	-	-	1.03
	<b>101.56</b>	<b>58.90</b>	<b>17.10</b>
<b>19. Trade Payables</b>			
Payable to :			
Trade payables to non-related parties	84.44	45.66	49.50
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)			
Trade payables to related parties	239.45	299.88	24.85
	<b>323.89</b>	<b>345.54</b>	<b>74.35</b>
<b>19.A Details of dues to micro and small enterprises</b>			
Trade Payables includes Rs.Nil (March 31, 2018: Rs.Nil; March 31, 2017: Rs Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.			
<b>20. Debt securities</b>			
At amortised cost			
(Refer note 20.A and 20.B)			
<u>Secured</u>			
Non-convertible redeemable debentures			
Privately placed	3,487.74	3,475.51	1,823.41
Benchmark linked debentures	15,798.30	12,373.73	10,282.32
	<b>22,275.76</b>	<b>17,970.76</b>	<b>12,945.64</b>
<u>Unsecured</u>			
Non-convertible redeemable debentures			
Privately placed	-	-	291.66
Benchmark linked debentures	2,989.72	2,121.52	548.25
	<b>2,989.72</b>	<b>2,121.52</b>	<b>840.91</b>
	<b>22,275.76</b>	<b>17,970.76</b>	<b>12,945.64</b>
Debt Securities in India	22,275.76	17,970.76	12,945.64
Debt Securities outside India	-	-	-
	<b>22,275.76</b>	<b>17,970.76</b>	<b>12,945.64</b>



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 20 Debt securities (continued)

### 20.A Details of debt securities :

#### Secured non-convertible redeemable debentures

##### Privately placed:

Privately placed debentures are secured by charge on immovable property and floating charge on receivables from financing business, securities held for trading.

##### Benchmark linked debentures

Benchmark linked debentures are secured by way of a pari passu mortgage and charge over the mortgage premises, a charge on the receivables from financing business and securities held for trading and corporate guarantee from the ultimate holding company.

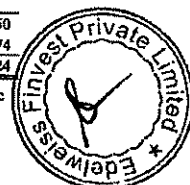
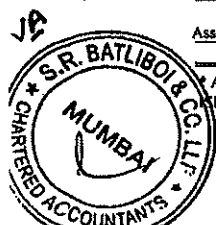
In case of benchmark linked debentures, the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level (s).

### 20.B Maturity profile and rate of interest of debt securities are set out below:

Maturity Month	Secured Benchmark Linked Debentures			Unsecured Benchmark Linked Debentures		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Apr-2017	-	-	99.50	-	-	-
May-2017	-	-	106.00	-	-	-
Jun-2017	-	-	18.00	-	-	-
Jul-2017	-	-	25.00	-	-	-
Aug-2017	-	-	108.00	-	-	-
Sep-2017	-	-	243.00	-	-	-
Oct-2017	-	-	670.20	-	-	-
Nov-2017	-	-	61.50	-	-	-
Dec-2017	-	-	180.00	-	-	-
Jan-2018	-	-	381.10	-	-	-
Feb-2018	-	-	121.00	-	-	-
Mar-2018	-	-	1,816.50	-	-	-
Apr-2018	-	91.00	81.00	-	-	-
May-2018	-	563.30	563.30	-	-	-
Jun-2018	-	264.00	264.00	-	-	-
Jul-2018	-	549.00	474.00	-	-	-
Aug-2018	-	2,344.30	114.20	-	200.00	-
Sep-2018	-	405.30	142.80	-	15.00	-
Oct-2018	-	1,098.00	98.00	-	-	-
Nov-2018	-	28.50	38.50	-	-	-
Dec-2018	-	335.00	335.00	-	-	-
Jan-2019	-	140.20	140.20	-	-	-
Feb-2019	-	47.50	47.50	-	-	-
Mar-2019	-	337.00	225.00	-	-	-
Apr-2019	95.60	147.10	147.10	-	-	-
May-2019	652.90	658.10	658.10	-	-	-
Jun-2019	108.00	118.00	108.00	-	-	-
Jul-2019	287.00	298.00	234.50	-	-	-
Aug-2019	227.30	230.10	42.60	10.00	10.00	-
Sep-2019	724.70	184.90	59.90	10.00	10.00	-
Oct-2019	3,060.30	97.00	57.00	-	-	-
Nov-2019	30.00	36.00	30.00	-	-	-
Jan-2020	177.90	180.50	180.50	-	-	-
Feb-2020	129.50	132.00	132.00	-	-	-
Mar-2020	770.90	199.10	199.10	50.00	50.00	50.00
Apr-2020	-	-	10.00	-	-	-
May-2020	119.00	119.00	119.00	-	-	-
Jun-2020	544.40	546.40	544.40	-	-	-
Jul-2020	1,085.30	446.50	364.00	-	-	-
Aug-2020	108.00	108.00	10.00	380.00	380.00	380.00
Sep-2020	325.50	325.50	60.00	10.00	10.00	-
Oct-2020	45.50	57.50	-	32.50	32.50	-
Nov-2020	-	-	-	10.00	10.00	-
Dec-2020	10.00	12.00	-	20.00	20.00	-
Jan-2021	-	10.00	-	-	-	-
Jul-2021	434.90	94.50	-	-	-	-
Sep-2021	874.00	212.50	50.00	-	-	-
Oct-2021	-	-	-	280.00	-	-
Dec-2021	12.50	-	-	-	-	-
Jan-2022	27.50	15.00	15.00	28.50	28.50	28.50
Feb-2022	760.80	650.30	17.50	10.00	10.00	10.00
Mar-2022	1,143.00	3.00	3.00	-	-	-
May-2022	271.50	4.00	-	-	-	-
Jun-2022	2,348.60	-	-	-	-	-
Aug-2022	47.90	-	-	-	-	-
Sep-2022	10.00	-	-	-	-	-
Mar-2024	300.00	300.00	300.00	-	-	-
Jun-2027	170.00	170.00	-	-	-	-
Jan-2027	-	-	-	40.00	40.00	40.00
Jan-2028	-	-	-	1,924.00	1,235.00	-
Associated accruals *	14,902.50	11,558.10	9,695.00	2,805.00	2,051.00	508.50
Total	15,798.30	12,373.73	10,282.32	184.72	70.52	39.74
				2,989.72	2,121.52	548.24

\* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date for respective INs.



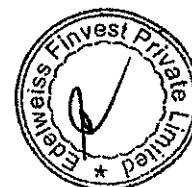
**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**20. Debt securities (continued)**
**20.B Maturity profile and rate of interest of debt securities are set out below:**

Maturity Month	Secured non convertible debentures Amount outstanding as at			Unsecured non convertible debentures Amount outstanding as at		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Rate of Interest	9.10% p.a.	9.10% p.a.	10.65% p.a.	-	-	17.00% p.a.
Dec-2017	-	-	-	-	-	268.87
Mar-2018	-	-	1,500.00	-	-	-
Apr-2019	3,500.00	3,500.00	-	-	-	-
	3,500.00	3,500.00	1,500.00	-	-	268.87
Associated accruals *	(12.26)	(24.49)	323.41	-	-	22.79
<b>Total</b>	<b>3,487.74</b>	<b>3,475.51</b>	<b>1,823.41</b>	<b>-</b>	<b>-</b>	<b>291.66</b>

\* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date for respective ISINs.





**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

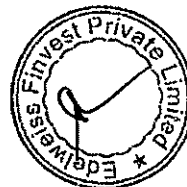
(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>21. Borrowings other than Debt Securities</b>			
<i>At amortised cost</i>			
<u>Secured</u>			
Term loan from bank	324.78	424.63	-
(First Pari Passu charge on the current assets of the Company which includes trade and other receivables, loans and cash and cash equivalents with Letter of Comfort) (Refer note 21.A)			
<u>Unsecured</u>			
Inter corporate loan from others (Repayable on demand, carry interest at 5.5% p.a., March 31, 2018 5.5% p.a., March 31, 2017 5.5% p.a.)	12.40	12.21	12.01
Loan and advances from related parties (Repayable on demand, carry interest at 10% p.a. (Previous year 9% p.a.))	-	7,761.96	-
	<b>337.18</b>	<b>8,198.80</b>	<b>12.01</b>
Borrowings in India	337.18	8,198.80	12.01
Borrowings outside India	-	-	-
	<b>337.18</b>	<b>8,198.80</b>	<b>12.01</b>

**21.A Details of Borrowings other than Debt Securities**

Maturity Month	Loan from banks - Amount outstanding as at		
	March 31, 2019	March 31, 2018	March 31, 2017
Rate of interest	9.70% p.a.	8.55% p.a.	-
Jun-2018	-	25.00	-
Sep-2018	-	25.00	-
Dec-2018	-	25.00	-
Mar-2019	-	25.00	-
Jun-2019	25.00	25.00	-
Sep-2019	25.00	25.00	-
Dec-2019	25.00	25.00	-
Mar-2020	25.00	25.00	-
Jun-2020	25.00	25.00	-
Sep-2020	25.00	25.00	-
Dec-2020	25.00	25.00	-
Mar-2021	25.00	25.00	-
Jun-2021	25.00	25.00	-
Sep-2021	25.00	25.00	-
Dec-2021	25.00	25.00	-
Jun-2022	25.00	25.00	-
Mar-2022	25.00	25.00	-
	325.00	425.00	-
Associated accruals *	(0.22)	(0.37)	-
<b>Total</b>	<b>324.78</b>	<b>424.63</b>	<b>-</b>

\* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date.



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>22. Subordinated Liabilities</b>			
<i>At amortised cost</i>			
<i>(Refer note 22.A)</i>			
<u>Unsecured</u>			
Subordinated debentures			
Privately placed redeemable non-convertible debentures	161.17	161.26	161.12
	<b>161.17</b>	<b>161.26</b>	<b>161.12</b>
Subordinated liabilities in India	161.17	161.26	161.12
Subordinated liabilities outside India	-	-	-
	<b>161.17</b>	<b>161.26</b>	<b>161.12</b>

**22.A Maturity profile and rate of interest of subordinated liabilities are set out below:**

Maturity Month	Unsecured subordinated liabilities - Interest Rate 11.00 % p.a. Amount outstanding as at		
	March 31, 2019	March 31, 2018	March 31, 2017
Jul-2025	150.00	150.00	150.00
	150.00	150.00	150.00
Add: interest accrued*	11.17	11.26	11.12
Total	<b>161.17</b>	<b>161.26</b>	<b>161.12</b>

\* Interest accrued but not due is payable on next interest payment date.

**23. Other financial liabilities**

Accrued salaries and benefits	20.05	16.54	51.74
Bank overdraft	2.69	-	6.91
	<b>22.74</b>	<b>16.54</b>	<b>58.65</b>

**24. Current tax liabilities (net)**

Provision for taxation (Net of advance tax Rs. 1,306.23, March 31, 2018 Rs. 672.51 million, April 01, 2017 Rs. 577.28 million)	263.93	252.98	42.59
	<b>263.93</b>	<b>252.98</b>	<b>42.59</b>

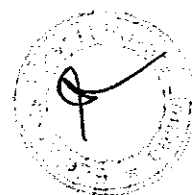
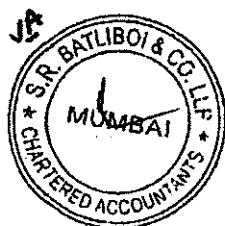
**25. Provisions**

Provision for employee benefits			
Gratuity (Refer note 37.A)	12.66	2.11	0.85
Compensated leave absences	2.24	0.25	0.83
	<b>14.90</b>	<b>2.36</b>	<b>1.68</b>

**26. Other non-financial liabilities**

Statutory liabilities*	36.94	18.17	4.57
Others	5.13	0.48	0.48
	<b>42.07</b>	<b>18.65</b>	<b>5.05</b>

\* Includes withholding taxes, profession tax and other statutory dues payables



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

27. Equity share capital	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Authorised :						
Equity Shares of Rs.10 each	35,000,000	350.00	35,000,000	350.00	11,500,000	115.00
Preference Shares of Rs.10 each	-	-	-	-	23,500,000	235.00
	<b>35,000,000</b>	<b>350.00</b>	<b>35,000,000</b>	<b>350.00</b>	<b>35,000,000</b>	<b>350.00</b>
Issued, Subscribed and Paid up:						
Equity Shares of Rs.10 each	33,325,875	333.26	33,325,875	333.26	2,805,998	28.06
	<b>33,325,875</b>	<b>333.26</b>	<b>33,325,875</b>	<b>333.26</b>	<b>2,805,998</b>	<b>28.06</b>

### 27.A Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	33,325,875	333.26	2,805,998	28.06	2,805,998	28.06
Shares issued during the year	-	-	30,519,877	305.20	-	-
Outstanding at the end of the year	<b>33,325,875</b>	<b>333.26</b>	<b>33,325,875</b>	<b>333.26</b>	<b>2,805,998</b>	<b>28.06</b>

#### Notes:

During the financial year 2017-18 the Company has issued 8,279,275 fully paid-up equity shares of Rs.10 each at a premium of Rs 168.35 each aggregating to Rs. 1,476.61 million to Edelweiss Financial Services Limited as part of consideration for acquisition of lending & investment business of Edelweiss Finance & Investments Limited (refer note 51.1)

During the financial year 2017-18, the Company has issued 22,240,602 fully paid-up equity shares of Rs.10 each at par aggregating to Rs. 222.41 million for conversion of preference shares in to equity.

### 27.B Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

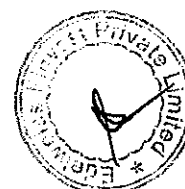
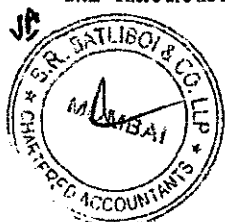
### 27.C Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Ultimate Holding company						
Edelweiss Financial Services Limited	8,279,275	24.84%	8,279,275	24.84%	-	-
Holding company						
ECap Equities Limited	22,459,720	67.39%	22,459,720	67.39%	1,700,812	60.61%
Fellow subsidiary company						
Edelweiss Securities Limited	1,259,394	3.78%	1,259,394	3.78%	1,105,186	39.39%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	1,327,486	3.98%	1,327,486	3.98%	-	-
	<b>33,325,875</b>	<b>100.00%</b>	<b>33,325,875</b>	<b>100.00%</b>	<b>2,805,998</b>	<b>100.00%</b>

### 27.D Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
ECap Equities Limited	22,459,720	67.39%	22,459,720	67.39%	1,700,812	60.61%
Edelweiss Financial Services Limited	8,279,275	24.84%	8,279,275	24.84%	-	-
Edelweiss Securities Limited	-	-	-	-	1,105,186	39.39%
	<b>30,738,995</b>	<b>92.24%</b>	<b>30,738,995</b>	<b>92.24%</b>	<b>2,805,998</b>	<b>100.00%</b>

### 27.E There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 28. Instruments entirely equity in nature

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Issued, Subscribed and Paid up:						
Compulsorily convertible non-cumulative preference shares						
a) Series A	-	-	-	-	333,700	3.34
b) Series B	-	-	-	-	11,345,363	113.45
c) Series C	-	-	-	-	10,561,539	105.62
	-	-	-	-	22,240,602	222.41

## 28.A Reconciliation of number of shares

### a) 0.01% Compulsorily convertible non-cumulative preference shares - Series A

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	333,700	3.34	800,000	8.00
Less: Shares cancelled on account of demerger (Refer note 51.1)	-	-	-	-	466,300	4.66
Less: Shares converted into equity shares	-	-	333,700	3.34	-	-
Outstanding at the end of the year	-	-	-	-	333,700	3.34

### b) 0.01% Compulsorily convertible non-cumulative preference shares - Series B

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	11,345,363	113.45	11,345,363	113.45
Less: Shares converted into equity shares	-	-	11,345,363	113.45	-	-
Outstanding at the end of the year	-	-	-	-	11,345,363	113.45

### c) 0.01% Compulsorily convertible non-cumulative preference shares - Series C

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	10,561,539	105.62	10,561,539	105.62
Less: Shares converted into equity shares	-	-	10,561,539	105.62	-	-
Outstanding at the end of the year	-	-	-	-	10,561,539	105.62

## 28.B Terms/rights attached to preference shares :

### a) Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series A (CCPS - A)

The tenure of CCPS-A was upto 31 December 2017. With the required consent of the CCPS-A holders, the term of issue of the CCPS-A had been changed and accordingly the holders of CCPS-A can convert any or all the CCPS-A held by them into 1 equity share of the Company of Rs.10 each at par. All the CCPS-A outstanding as on 31 December 2017 have been converted into equity shares.

### b) Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series B (CCPS - B)

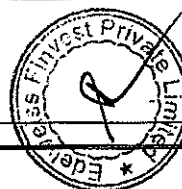
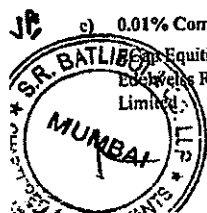
The tenure of CCPS-B was upto 31 December 2017. During the term of the CCPS-B, the holder can convert any or all the CCPS-B held by them into 1 equity share of the Company of Rs. 10 each at face value. All the CCPS-B outstanding as on 31 December 2017 have been converted into equity shares.

### c) Terms/rights attached to 0.01% Compulsorily convertible non-cumulative preference shares - Series C (CCPS - C)

The tenure of CCPS-C was upto 31 March 2018. During the term of the CCPS-C, the holder can convert any or all the CCPS-C held by them into 1 equity share of the Company of Rs. 10 each at face value. All the CCPS-C outstanding as on 31 March 2018 have been converted into equity shares.

## 28.C Details of preference shareholders holding more than 5% shares in the company:

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding in the class	No of shares	% holding in the class	No of shares	% holding in the class
a) 0.01% Compulsorily convertible non-cumulative preference shares - Series A						
Edelweiss Rural & Corporate Services Limited	-	-	-	-	179,492	53.79
Edelweiss Securities Limited	-	-	-	-	154,208	46.21
	-	-	-	-	333,700	100.00
b) 0.01% Compulsorily convertible non-cumulative preference shares - Series B						
ECap Equities Limited	-	-	-	-	11,345,363	100.00
	-	-	-	-	11,345,363	100.00
c) 0.01% Compulsorily convertible non-cumulative preference shares - Series C						
ECap Equities Limited	-	-	-	-	9,413,545	89.13
Edelweiss Rural & Corporate Services Limited	-	-	-	-	1,147,994	10.87
	-	-	-	-	10,561,539	100.00



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**29. Other Equity**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a. Capital redemption reserve	84.34	84.34	84.34
b. Securities premium reserve	3,915.88	3,752.55	3,743.44
c. Statutory reserve	1,142.60	801.00	534.56
d. Retained earnings	4,686.64	3,329.99	2,226.42
e. Deemed capital contribution - Equity	2.25	2.25	0.68
f. Share capital pending allotment on account of merger (refer note 51.1)	-	-	82.79
	<b>9,831.71</b>	<b>7,970.13</b>	<b>6,672.23</b>

**29.A Nature and purpose of Reserves****a. Capital redemption reserve**

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.

**b. Securities premium reserve**

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.

**c. Statutory reserve**

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**d. Retained earnings**

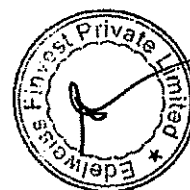
Retained earnings comprises of the Company's undistributed earnings after taxes.

**e. Deemed capital contribution - Equity**

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

**f. Share capital pending allotment on account of merger**

Shares allotted to the equity shareholders of Edelweiss Finance & Investments Limited pursuant to the merger of its lending and investment business with the Company (refer note 51.1).



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**29.B Movement in other equity**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>a. Capital redemption reserve</b>			
Opening balance	84.34	84.34	84.34
Add : Additions during the year	-	-	-
	<u>84.34</u>	<u>84.34</u>	<u>84.34</u>
<b>b. Securities premium reserve</b>			
Opening balance	3,752.55	3,743.44	2,461.53
Add : Premium Received on issue of Debentures	163.33	9.11	-
Add : Addition on account of merger (Refer note 51.1)	-	-	1,393.82
Less: Reduction on account of cancellation of preference shares acquired due to merger (Refer note 51.1)	-	-	(111.91)
	<u>3,915.88</u>	<u>3,752.55</u>	<u>3,743.44</u>
<b>c. Statutory reserve</b>			
Opening balance	801.00	534.56	441.94
Add : Reserve created for the year	341.60	266.44	92.62
	<u>1,142.60</u>	<u>801.00</u>	<u>534.56</u>
<b>d. Retained earnings</b>			
Opening balance	3,329.99	2,226.42	1,690.93
Add: Profit for the year	1,708.02	1,063.84	463.10
Less/Add : Other comprehensive income	(1.23)	0.05	-
Less/Add : Income tax effect of ESOPs	(8.54)	6.12	2.42
Add/Less : Deemed distribution during the year	-	300.00	(327.81)
Add: Impact on first time adoption of Ind AS	-	-	204.39
Add : Profit on account of merging business from the appointed date (refer note 51.1)	-	-	286.01
	<u>5,028.24</u>	<u>3,596.43</u>	<u>2,319.04</u>
<b>Amount available for appropriation</b>			
Appropriations:			
Transfer to statutory reserve	(341.60)	(266.44)	(92.62)
	<u>(341.60)</u>	<u>(266.44)</u>	<u>(92.62)</u>
	<u>4,686.64</u>	<u>3,329.99</u>	<u>2,226.42</u>
<b>e. Deemed capital contribution - Equity</b>			
Opening balance	2.25	0.68	-
Add : ESOPs charged during the year	-	1.57	0.68
	<u>2.25</u>	<u>2.25</u>	<u>0.68</u>
<b>f. Share capital pending allotment on account of merger</b>			
Opening balance	-	82.79	-
Add: Consideration payable on merger (refer note 51.1)	-	-	82.79
Less: Issue of equity shares	-	(82.79)	-
	<u>-</u>	<u>-</u>	<u>82.79</u>
<b>Total = (a+b+c+d+e+f)</b>	<u>9,831.71</u>	<u>7,970.13</u>	<u>6,672.23</u>



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**30. Interest Income****on financial assets measured at amortised cost**

Interest on loans	4,654.55	3,170.81
Interest on fixed deposits with banks	5.71	4.05
Interest income on preference shares	-	7.33
Other interest Income		
On margin with brokers	1.86	3.46
On others	-	0.25

**on financial assets measured at fair value through profit or loss**

Interest income on debt securities	40.49	26.39
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<b>4,702.61</b>	<b>3,212.29</b>
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**31. Dividend Income**

Dividend on securities held for trading	170.11	758.16
Dividend on investment	0.07	4.00

<b>170.18</b>	<b>762.16</b>
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**32. Fee Income**

Processing and other fees	119.39	84.75
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<b>119.39</b>	<b>84.75</b>
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**33. Net gain on fair value changes (including treasury income)****Net gain/ (loss) on financial instruments at fair value through profit or loss**

On investments and securities held for trading	(161.30)	(789.25)
On derivatives financial instrument	47.24	(49.65)
On security receipts	379.66	654.06

<b>265.60</b>	<b>(184.84)</b>
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**Fair value changes**

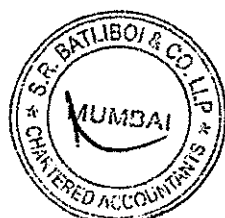
Realised	97.87	741.15
Unrealised	167.73	(925.99)

<b>265.60</b>	<b>(184.84)</b>
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**34. Other income**

Miscellaneous income	0.01	-
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<b>0.01</b>	<b>-</b>
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# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>35. Finance costs</b>		
<b>On financial liabilities measured at amortised cost</b>		
Interest on borrowings other than debt securities	456.46	191.96
Interest on debt securities	1,633.64	1,171.38
Interest on subordinated liabilities	16.45	16.64
Other finance cost and bank charges	157.46	124.51
	<b>2,264.01</b>	<b>1,504.49</b>
<b>36. Impairment on financial instruments</b>		
<b>On financial instruments measured at amortised cost</b>		
<b>Expected credit loss</b>		
Loans (including undrawn commitments)	120.52	917.41
Trade receivables	(0.93)	0.02
	<b>119.59</b>	<b>917.43</b>
<b>37. Employee benefits expense</b>		
Salaries and wages (refer note 38.D)	101.24	33.25
Contribution to provident and other funds	6.16	0.95
Expense on Employee Stock Option Scheme (ESOP) (refer note below)	4.65	1.57
Staff welfare expenses	0.71	0.33
	<b>112.76</b>	<b>36.10</b>

### Notes:

Edelweiss Financial Services Limited ("EFSL") the holding Company 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.

### 37.A Employee Benefits

#### a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 3.56 million (Previous year : Rs. 0.55 million) for provident fund and other contributions in the Statement of profit and loss.

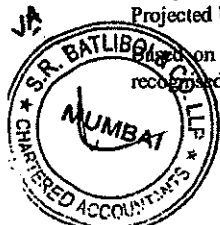
The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

#### b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

On the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amount recognised in the Company's financial statements as at balance sheet date:





**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**37.A Employee Benefits (continued)**
**b) Defined benefit plan - Gratuity**
**Movement in defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for defined benefit liability and its components:

Particulars	Defined Benefit obligation	
	March 31, 2019	March 31, 2018
<b>Opening Balance</b>	<b>2.11</b>	0.85
Current service cost	1.95	0.21
Interest cost	0.64	0.13
	<b>4.70</b>	1.19
<b>Other comprehensive Income</b>		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience	1.67	(0.01)
Financial assumptions	0.22	(0.07)
	<b>1.89</b>	(0.08)
<b>Others</b>		
Transfer In/ (Out)	6.69	1.00
Benefits paid	(0.62)	-
<b>Closing Balance</b>	<b>12.66</b>	2.11

**Components of defined benefit plan cost:**

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
<b>Recognised in Statement of profit or loss</b>		
Current service cost	1.95	0.21
Interest cost	0.64	0.13
<b>Total</b>	<b>2.59</b>	0.34
<b>Recognised in other comprehensive Income</b>		
Remeasurement of net defined benefit liability/(asset)	1.89	(0.08)
<b>Total</b>	<b>1.89</b>	(0.08)

**Actuarial assumptions:**

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Discount Rate	7.00%	7.30%	6.80%
Salary Growth Rate	7.00%	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	13% - 25%	13% - 25%	13% - 25%
Interest Rate on Net DBO (% p.a.)	7.30%	6.80%	7.40%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Expected weighted average remaining working lives of employees	5	6	6

**Notes:**

- a) The discount rate are based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities.  
 b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.  
 c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

**Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.81	(0.74)	0.14	(0.13)
Discount Rate (+/- 1%)	(0.73)	0.82	(0.13)	0.14
Withdrawal Rate (+/- 1%)	(0.05)	0.05	-	-

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

**c) Compensated absences :**

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>38. Other expenses</b>		
Advertisement and business promotion	0.05	0.27
Auditors' remuneration (refer note 38.A)	1.78	1.79
Commission and brokerage	31.33	9.96
Communication	1.43	0.73
Directors' sitting fees	0.51	0.26
Insurance	-	0.02
Legal and professional fees	79.38	100.44
Printing and stationery	0.01	0.10
Rates and taxes	3.66	5.97
Rent (refer note 38.C and 38.D)	8.93	1.37
Repairs and maintenance (refer note 38.D)	0.11	0.47
Electricity charges (refer note 38.D)	0.89	0.64
Computer software	0.23	0.49
Corporate social responsibility -Donation (refer note 38.B)	5.00	-
Clearing & custodian charges	0.16	0.16
Rating support fees	0.18	0.21
Membership and subscription	0.03	0.10
Office expenses	53.30	19.22
ROC Expenses	0.07	0.05
Seminar & Conference	-	0.02
Goods & Service tax expenses	27.73	(24.54)
Stamp duty	(5.80)	15.74
Travelling and conveyance	4.97	0.48
Miscellaneous expenses	1.50	0.85
Housekeeping and security charges (refer note 38.D)	2.03	0.04
	<b>217.48</b>	<b>134.84</b>

## 38.A Auditors' remuneration:

As a Auditor		
Audit fees	1.36	0.50
Limited Review	0.39	0.88
Certification and Consultation	-	0.12
Reimbursement of expenses	0.03	0.29
	<b>1.78</b>	<b>1.79</b>

## 38.B Details of CSR Expenditure:

Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.

	23.94	-
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	5.00	-
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	<b>5.00</b>	<b>-</b>
Amount paid to EdelGive Foundation (refer note 43 related party disclosure)	5.00	-
Paid to external parties	-	-
	<b>5.00</b>	<b>-</b>

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 225.19 million (Previous year: Rs. 177.84 million) (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended 31 March 2019, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2019.

## 38.C Operating leases

The Company has not taken premises on operating lease. Rental expenses for the year ended 31 March 2019 aggregated to Rs. 8.93 million (Previous year: Rs. 1.37 million) which has been included under the head other expenses – Rent in the Statement of profit and loss are allocations from the fellow subsidiaries.

## 38.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 37 and 38 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 11.51 million (previous year Rs. 1.96 million).



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

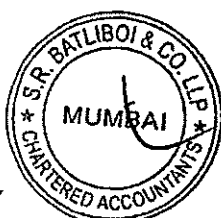
(Currency: Indian rupees in million)

**39. Income Tax****Component of income tax expenses**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	680.12	374.84
Adjustment in respect of current income tax of prior years	(9.95)	103.06
Deferred tax relating to temporary differences	164.87	(260.35)
<b>Total tax charge for the year (refer note 39.A)</b>	<b>835.04</b>	<b>217.55</b>
<b>Current tax</b>	<b>670.17</b>	<b>477.90</b>
<b>Deferred tax (refer note 39.B)</b>	<b>164.87</b>	<b>(260.35)</b>

**39.A The income tax expenses for the year can be reconciled to the accounting profit as follows:**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Profit / (Loss) before taxes</b>	<b>2,543.06</b>	<b>1,281.39</b>
Statutory Income Tax rate	34.94%	34.61%
<b>Tax charge at statutory rate</b>	<b>888.65</b>	<b>443.46</b>
Adjustment in respect of current income tax of prior year	(9.95)	103.06
<b>Tax effect of :</b>		
Income / Items not subject to tax or chargeable at lower tax rate		
Dividend Income	(59.47)	(263.76)
Sale of non current investments	-	(6.98)
<b>Non deductible expenses</b>		
Effect of indexed cost being available as deduction	-	(92.10)
Others	8.16	3.20
<b>Impact of tax rate changes (between two accounting periods)</b>	<b>6.90</b>	<b>8.87</b>
<b>Impact of certain items being taxed at different rates - capital gains</b>	<b>-</b>	<b>12.70</b>
<b>Others</b>		
Profit from EARC Trusts (taxed on realisation)	0.75	9.10
<b>Current Tax Expenses Reported in Statement of Profit and Loss</b>	<b>835.04</b>	<b>217.55</b>
<b>Effective Income Tax Rate</b>	<b>32.84%</b>	<b>16.98%</b>



Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

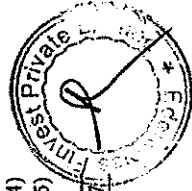
## 39.B Movement of Deferred Tax assets

## Financial Year 2018-19

	As on March 31, 2018	Movement for the period (2018-19)			As on March 31, 2019
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Total movement
<b>Deferred tax assets</b>					
Employee benefits obligations	0.82	3.73	0.66	-	4.39
Effective interest rate on financial liabilities	64.69	2.14	-	-	2.14
Tax break on employee stock option scheme	8.54	-	-	(8.54)	(8.54)
Expected credit loss provision	303.74	(135.43)	-	-	(135.43)
Unused tax losses	17.39	4.00	-	-	4.00
<b>Deferred tax liabilities</b>					
Property, plant and equipment & intangible assets	(0.07)	(0.30)	-	-	(0.30)
Fair valuation of financial assets	(71.24)	(54.25)	-	-	(54.25)
Fair valuation of derivatives	5.25	(26.91)	-	-	(26.91)
Others	(42.15)	42.15	-	-	42.15
<b>Deferred Tax Asset (net)</b>	<b>286.97</b>	<b>(164.87)</b>	<b>0.66</b>	<b>(8.54)</b>	<b>(172.75)</b>
					<b>114.22</b>

## Financial Year 2017-18

	As on April 1, 2017	Movement for the period (2017-18)			As on March 31, 2018
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Total movement
<b>Deferred Tax Assets</b>					
Employee benefits obligations	32.70	(31.85)	(0.03)	-	(31.88)
Effective interest rate on financial liabilities	(22.11)	86.80	-	-	86.80
Fair valuation of derivatives	2.10	3.15	-	-	3.15
Tax break on employee stock option scheme	2.42	-	-	6.12	6.12
Expected credit loss provision	182.69	121.05	-	-	121.05
Unused tax losses	-	17.39	-	-	17.39
<b>Deferred Tax Liabilities</b>					
Property, plant and equipment & intangible assets	(0.08)	0.01	-	-	0.01
Fair valuation of financial assets	(145.82)	74.58	-	-	74.58
Others	-	(10.78)	-	(31.37)	(42.15)
<b>Deferred Tax Asset (net)</b>	<b>51.90</b>	<b>260.35</b>	<b>(0.03)</b>	<b>6.12</b>	<b>235.07</b>
					<b>286.97</b>



**40. Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the period adjusted for assumed conversion of all dilutive potential equity shares.

		For the year ended March 31, 2019	for the year ended March 31, 2018
Net profit attributable to equity holders of the Company	(A)	1,708.02	1,063.84
Weighted average number of shares			
- Number of equity shares outstanding at the beginning of the year		33,325,875	2,805,998
- Number of equity shares issued during the year		-	30,519,877
Total number of equity shares outstanding at the end of the year		33,325,875	33,325,875
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	33,325,875	11,258,656
Weighted average number of diluted equity shares outstanding during the year	(C)	33,325,875	30,558,556
Adjusted net profit for diluted EPS	(D)	1,708.02	1,063.84
Basic earnings per share (in rupees)	(A / B)	51.25	94.49
Diluted earnings per share (in rupees)	(D / C)	51.25	34.81

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at March 31, 2019. (Previous year, dilution in earnings per share is on account of compulsorily convertible non-cumulative preference shares).

**41. Contingent Liability & Commitment:****Contingent Liability**

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

**Details of contingent liability**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Taxation matters of assessment year 2014-15 in respect of which appeal is pending with tax authorities	46.38	46.38	-

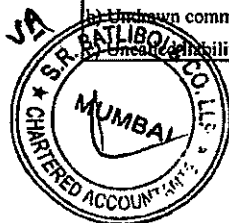
The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote."

**Commitment**

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

**Details of commitment**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	0.06	1.96	-
b) Undrawn committed credit lines	8,823.44	828.12	212.94
c) Undrawn committed liabilities on non-current investments	233.87	269.84	154.51



## 42. Segment reporting

## Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and retail financing

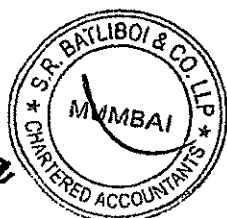
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

## Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

## Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from operations				
Interest income	4,656.13	46.48	-	4,702.61
Other operating income	119.39	435.78	0.01	555.18
Total revenue from operations	4,775.52	482.26	0.01	5,257.79
Interest expenses	1,927.72	336.25	0.04	2,264.01
Other expenses	394.70	51.02	5.00	450.72
Total expenses	2,322.43	387.26	5.04	2,714.73
Segment profit/(loss) before taxation	2,453.10	94.99	(5.03)	2,543.06
Income tax expenses	-	-	(835.04)	(835.04)
Profit for the year	2,453.10	94.99	(840.07)	1,708.02
Other comprehensive income	(1.05)	(0.18)	-	(1.23)
Total comprehensive income	2,452.05	94.81	(840.07)	1,706.79
Segment assets	29,863.73	3,903.83	261.54	34,029.10
Segment liabilities	20,135.14	3,465.06	263.93	23,864.13
Capital expenditure	7.95	0.18	-	8.13
Depreciation and amortisation	0.76	0.13	-	0.89
Significant non-cash items (net)	(128.66)	166.15	-	37.49



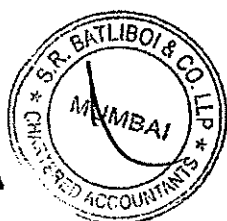
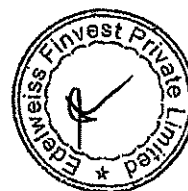
42. Segment reporting (continued)

Segment information as at and for the year ended March 31, 2018

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from operations				
Interest income	3,173.62	38.67	-	3,212.29
Other operating income	84.75	577.32	-	662.07
Total revenue from operations	3,258.37	615.99	-	3,874.36
Interest expenses	1,212.71	282.54	9.24	1,504.49
Other expenses	1,057.59	30.89	0.00	1,088.48
Total expenses	2,270.30	313.43	9.24	2,592.97
Segment profit/(loss) before taxation	988.07	302.56	(9.24)	1,281.39
Income tax expenses	-	-	(217.55)	(217.55)
Profit for the year	988.07	302.56	(226.79)	1,063.84
Other comprehensive income	0.04	0.01	-	0.05
Total comprehensive income	988.11	302.57	(226.79)	1,063.89
Segment assets	28,604.73	6,444.20	433.79	35,482.72
Segment liabilities	21,903.74	5,022.61	252.98	27,179.33
Capital expenditure	0.11	0.03	-	0.14
Depreciation and amortisation	0.09	0.02	-	0.11
Significant non-cash items (net)	(919.32)	(919.10)	-	(1,838.42)

Segment information as at April 1, 2017

Particulars	Financing business	Capital based business	Unallocated	Total
Segment assets	15,164.43	5,167.70	157.98	20,490.11
Segment liabilities	12,204.83	1,319.99	42.59	13,567.41



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

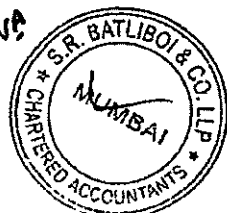
(Currency: Indian rupees in million)

## 43. Change in liabilities arising from financing activities

Particulars	As at April 01, 2018	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2019
Debt securities	17,970.76	4,246.27	-	58.73	22,275.76
Borrowings other than debt securities	8,198.80	(7,861.77)	-	0.15	337.18
Subordinated liabilities	161.26	-	-	(0.09)	161.17
	<b>26,330.82</b>	<b>(3,615.50)</b>	<b>-</b>	<b>58.79</b>	<b>22,774.11</b>

Particulars	As at April 01, 2017	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2018
Debt securities	12,945.64	5,150.79	-	(125.67)	17,970.76
Borrowings other than debt securities	12.01	8,187.16	-	(0.37)	8,198.80
Subordinated liabilities	161.12	-	-	0.14	161.26
	<b>13,118.77</b>	<b>13,337.95</b>	<b>-</b>	<b>(125.90)</b>	<b>26,330.82</b>

\* Includes the effect of accrued but not paid interest on borrowing, securities premium on issue of debt securities





# **Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

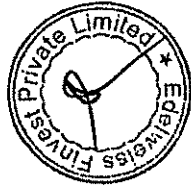
(Currency: Indian rupees in million)

## **44. Maturity Analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>									
Cash and cash equivalents	4,670.11	-	4,670.11	363.75	-	363.75	70.20	-	70.20
Derivative financial instruments	387.52	319.33	706.85	84.00	203.70	287.70	77.87	181.81	259.68
Securities held for trading	1,142.86	-	1,142.86	1,699.74	-	1,699.74	1,230.94	-	1,230.94
Trade receivables	21.34	-	21.34	12.85	-	12.85	0.02	-	0.02
Other receivables	26.46	-	26.46	10.60	-	10.60	69.76	-	69.76
Loans	5,527.12	19,515.08	25,042.20	2,351.95	26,470.16	28,822.11	6,693.30	7,888.15	14,581.45
Investments	-	1,862.01	1,862.01	-	4,617.50	4,617.50	-	3,859.03	3,859.03
Other financial assets	668.12	-	668.12	19.33	-	19.33	460.66	-	460.66
<b>Non-financial assets</b>									
Current tax assets (net)	-	147.32	147.32	-	146.82	146.82	-	106.05	106.05
Deferred tax assets (net)	-	114.22	114.22	-	286.97	286.97	-	51.90	51.90
Property, Plant and Equipment	-	1.35	1.35	-	1.13	1.13	-	1.10	1.10
Other intangible assets	-	6.35	6.35	-	-	-	-	-	-
Other non-financial assets	101.56	-	101.56	58.90	-	58.90	17.10	-	17.10
<b>Total Assets</b>	<b>12,545.09</b>	<b>21,965.66</b>	<b>34,510.75</b>	<b>4,601.12</b>	<b>31,726.28</b>	<b>36,327.40</b>	<b>8,619.85</b>	<b>12,088.94</b>	<b>20,707.89</b>
<b>Financial Liabilities</b>									
Derivative financial instruments	61.53	360.96	422.49	31.47	180.97	212.44	100.47	165.85	266.32
Trade payables	323.89	-	323.89	345.54	-	345.54	74.35	-	74.35
Debt securities	10,519.98	11,755.78	22,275.76	6,931.89	11,038.87	17,970.76	6,280.11	6,665.53	12,945.64
Borrowings (other than debt securities) *	112.40	224.78	337.18	7,874.17	324.63	8,198.80	12.01	-	12.01
Subordinated liabilities	11.17	150.00	161.17	11.26	150.00	161.26	11.12	150.00	161.12
Other financial liabilities	22.74	-	22.74	16.54	-	16.54	58.65	-	58.65
<b>Non-financial liabilities</b>									
Current tax liabilities (net)	-	263.93	263.93	-	252.98	252.98	-	42.59	42.59
Provisions	3.46	11.44	14.90	-	2.36	2.36	-	1.68	1.68
Other non-financial liabilities	42.07	-	42.07	18.65	-	18.65	5.05	-	5.05
<b>Total Liabilities</b>	<b>11,097.24</b>	<b>12,766.89</b>	<b>23,864.13</b>	<b>15,229.52</b>	<b>11,949.81</b>	<b>27,179.33</b>	<b>6,541.76</b>	<b>7,025.65</b>	<b>13,567.41</b>
<b>Net</b>	<b>1,447.85</b>	<b>9,198.77</b>	<b>10,646.62</b>	<b>(10,628.40)</b>	<b>19,776.47</b>	<b>9,148.07</b>	<b>2,078.09</b>	<b>5,062.39</b>	<b>7,140.48</b>

\* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO activities has raised long term funds during the financial year 2018-19 and has a positive ALM position as at March 31, 2019



# Edelweiss Finvest Private Limited

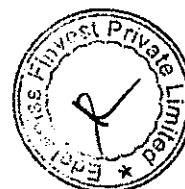
Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"

### I. List of related parties and relationship:

Names of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate Holding company)
Holding Company	ECap Equities Limited
Fellow subsidiaries with whom the transactions have taken place	<p>Edelweiss Alternative Asset Advisors Limited</p> <p>Edelweiss Securities Limited</p> <p>Edelcap Securities Limited</p> <p>EdelGive Foundation</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Housing Finance Limited</p> <p>Edelweiss Global Wealth Management Limited</p> <p>Edelweiss Finance &amp; Investments Limited</p> <p>Edelweiss Rural &amp; Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)</p> <p>Burlington Business Solutions Limited (Merged with Ecap Equities Limited)</p> <p>Edelweiss Custodial Services Limited</p> <p>Edelweiss Business Services Limited (Merged with Edelweiss Rural &amp; Corporate Services Limited (Formerly Edelweiss Commodities Services Limited w.e.f 1st August 2018)</p> <p>Edelweiss Broking Limited</p> <p>Edelweiss Tokio Life Insurance Company Limited</p> <p>Eternity Business Centre Limited (Merged with Ecap Equities Limited)</p> <p>EdelGive Foundation</p> <p>Auris Corporate Centre Limited (Merged with Ecap Equities Limited)</p> <p>Edelweiss Securities Limited</p> <p>Edelweiss Broking Limited</p> <p>Edel Commodities Limited</p> <p>EFSL Trading Limited</p> <p>ECL Finance Limited</p> <p>Edel Finance Company Limited</p> <p>Edelweiss Asset Management Limited</p> <p>EW Clover Scheme1</p>
Associates	<p>Edelweiss Private Equity Tech fund</p> <p>Edelweiss Value and Growth Fund</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Retail Finance Limited</p>
Key Management Personnel (KMP) (with whom transactions have taken place).	<p>Bhavin N Mehta (till 2 August 2018)</p> <p>Amit Dhawan (from 7 August 2018)</p> <p>Sheetal Gandhi</p> <p>Niket Joshi (from 2 May 2018)</p>

The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.

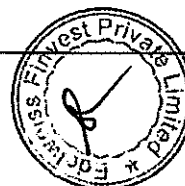
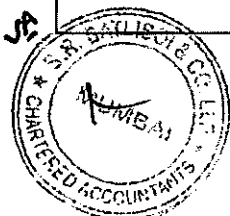


# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>ii Transactions with related parties:</b>				
<b>(I) Capital account transactions</b>				
1	Investments in units of	Edelweiss Private Equity Tech fund	-	27.73
		Edelweiss Value and Growth Fund	35.97	159.27
2	Conversion of Compulsorily convertible non-cumulative preference shares by	Edelweiss Rural & Corporate Services Limited	-	13.27
		Edelweiss Securities Limited	-	1.54
		ECap Equities Limited	-	207.59
3	Compulsorily Convertible Debentures redeemed to	ECap Equities Limited	-	268.87
<b>(II) Current account transactions</b>				
1	Short term loans taken from (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	15,368.06	25,454.76
2	Short term loans repaid to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	23,129.52	17,692.80
3	Short term loans given to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	3,706.13	3,743.03
		Edelcap Securities Limited	-	924.18
		Edel Finance Company Limited	1,200.00	-
		Edelweiss Finance & Investments Limited	-	648.84
4	Short term loans given repaid by (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	3,502.04	4,147.31
		Edelcap Securities Limited	-	930.77
		Edel Finance Company Limited	-	-
		Edelweiss Finance & Investments Limited	-	648.84
		Edel Commodities Limited	-	4.40
5	Issue of - benchmark linked debentures	Edelweiss Rural & Corporate Services Limited	40.00	1,290.00
6	Redemption - benchmark linked debentures	ECap Equities Limited	5,782.02	-
		Edelweiss Rural & Corporate Services Limited	68.94	-
7	Buyback - benchmark linked debentures	ECap Equities Limited	98.28	-
8	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	448.96	161.10
9	Interest expense on benchmark linked debentures	ECap Equities Limited	604.22	38.68
		Edelweiss Rural & Corporate Services Limited	13.94	-
10	Interest expense on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	16.45	16.64
11	Interest income received from securities	Edelweiss Retail Finance Limited	21.88	-
12	Interest income on short term loan from	Edelcap Securities Limited	-	91.18
		Edelweiss Rural & Corporate Services Limited	40.97	171.20
		Edel Finance Company Limited	1.08	-
		Edelweiss Finance & Investments Limited	27.55	34.16
		EW Clover Scheme I	-	0.18
		Edel Commodities Limited	-	0.38
13	Interest income on margin from	Edelweiss Securities Limited	0.02	0.02
		Edelweiss Custodial Services Limited	1.84	3.12
14	Enterprise Service charges paid to	Edelweiss Business Services Limited	53.33	19.16



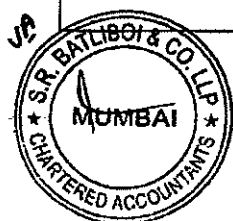
# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>(II) Current account transactions</b>				
15	Arranger fee paid to	ECL Finance Limited	17.36	45.29
16	Management fee paid to	Edelweiss Alternative Asset Advisors Limited	34.32	38.70
17	Legal and professional fees paid to	Edelweiss Asset Reconstruction Company Limited	-	8.17
18	Reimbursements paid to	Edelweiss Financial Services Limited	0.83	0.11
		Edelweiss Rural & Corporate Services Limited	0.29	0.45
		ECL Finance Limited	0.02	0.06
		Edelweiss Broking Limited	0.35	-
		Edelweiss Securities Limited	-	0.00
		EFSL Trading Limited	-	0.01
		Eternity Business Centre Limited	-	0.01
		ECap Equities Limited	0.41	0.01
		Edelweiss Asset Management Limited	0.07	-
		Edelweiss Alternative Asset Advisors Limited	0.63	-
19	Rent paid to	Edelweiss Rural & Corporate Services Limited	2.72	0.96
		Edelweiss Broking Limited	-	0.10
		ECap Equities Limited	4.73	0.15
		ECL Finance Limited	0.53	0.11
		Burlington Business Solutions Limited	-	0.03
		Eternity Business Centre Limited	-	0.01
		Auris Corporate Centre Limited	-	0.00
		Edelweiss Asset Management Limited	0.25	-
		Edelweiss Broking Limited	0.70	-
20	Rating Support fees paid to	Edelweiss Financial Services Limited	0.18	0.21
21	Corporate Social Responsibility	EdelGive Foundation	5.00	-
22	Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	121.52	79.78
23	Commission and Sub-brokerage paid to	Edelweiss Securities Limited	-	1.12
		Edelweiss Global Wealth Management Limited	26.77	9.91
24	Clearing charges paid to	Edelweiss Securities Limited	-	-
		Edelweiss Custodial Services Limited	0.14	0.11
25	ESOP Cost	Edelweiss Financial Services Limited	4.65	-
26	Remuneration to Key Management Personnel (refer note 2 below)	Bhavin N Mehta	-	1.76
		Amit Dhawan	10.98	-
<b>(III) Secondary market transactions</b>				
1	Sale of securities (Securities held for trading) to	ECL Finance Limited	3,592.75	641.31
		Edelweiss Finance & Investments Limited	102.42	668.81
		Edelweiss Rural & Corporate Services Limited	1,028.03	83.82
		Edelweiss Retail Finance Limited	244.34	-
		ECap Equities Limited	648.85	-
2	Purchase of securities (Securities held for trading) from	ECL Finance Limited	-	245.17
		ECap Equities Limited	-	1,012.27
		Edelweiss Finance & Investments Limited	-	480.15
		Edelweiss Rural & Corporate Services Limited	1,163.28	2,501.53



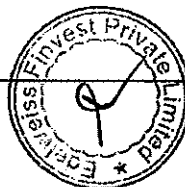
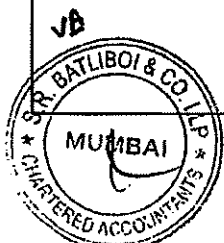
# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees)

## 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>(III) Secondary market transactions</b>				
3	Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	589.89	-
4	Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	707.22	-
5	Margin placed with broker (refer note 1 below)	Edelweiss Custodial Services Limited Edelweiss Securities Limited	690.03 0.53	11.07 352.98
6	Margin withdrawn from broker (refer note 1 below)	Edelweiss Custodial Services Limited Edelcap Securities Limited Edelweiss Securities Limited	37.74 - 1.39	277.61 367.85 -
7	Sale of Securities receipts to	ECL Finance Limited	1,833.30	-
8	Purchase of property, plant and equipment	Edelweiss Broking Limited ECL Finance Limited Edelweiss Financial Services Limited Edelweiss Housing Finance Limited	0.88 0.19 0.00 0.00	- - - -
<b>(IV) Balances with related parties</b>				
1	Investments in equity shares	Edelweiss Retail Finance Limited Edelweiss Asset Reconstruction Company Limited	264.00 326.14	264.00 326.14
2	Investments in units of	Edelweiss Private Equity Tech fund Edelweiss Value and Growth Fund	80.41 210.27	56.89 159.27
3	Subordinate debt issued to	Edelweiss Tokio Life Insurance Company Limited	150.00	150.00
4	Benchmark Debentured held by	Ecap Equities Limited	195.55	-
5	Debenture and bonds (securities held for trading) of	ECL Finance Limited	-	63.29
6	Non-convertible redeemable debentures	Ecap Equities Limited Edelweiss Rural & Corporate Services Limited	- -	3,302.64 55.00
7	Interest accrue but not due on benchmark linked debentured held by	Ecap Equities Limited	1.78	-
8	Interest accrued on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	11.17	11.26
9	Short term loans taken from	Edelweiss Commodities Services Limited	-	7,761.96
10	Short term loans given to	Edelweiss Commodities Services Limited Edel Finance Company Limited	203.60 1,200.00	- -
11	Trade Payables to	Edelweiss Financial Services Limited  Edelweiss Business Services Limited  Edelweiss Securities Limited ECL Finance Limited Ecap Equities Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Global Wealth Management Limited Edelweiss Finance & Investments Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Rural & Corporate Services Limited Edelweiss Asset Management Limited Edelweiss Broking Limited Eternity Business Centre Limited	142.90  30.29  0.25 24.01 2.23 34.92 8.04 - - - 1.19 0.09 0.18 0.00	90.90  8.59  94.13 48.92 0.17 44.09 4.05 0.20 8.83 - - - -



## Edelweiss Finvest Private Limited

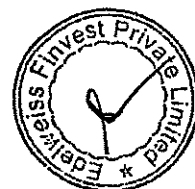
Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees)

### 45 Disclosure of related party transactions pursuant to Ind AS 24 "Related Party Transactions"(continued)

Sr. No.	Nature of Transaction	Related Party Name	2018-19	2017-18
<b>(IV) Balances with related parties</b>				
12	Other receivables from	ECL Finance Limited	17.33	0.01
		Edelweiss Securities Limited	1.11	0.94
		Edelweiss Custodial Services Limited	1.78	0.78
		Edelweiss Rural & Corporate Services Limited	-	0.04
		Edelweiss Finance & Investments Limited	2.22	-
		Edelweiss Financial Services Limited	0.13	-
		ECap Equities Limited	0.02	-
		Edelweiss Alternative Asset Advisors Limited	0.03	-
		Edelweiss Business Services Limited	0.06	-
		Edelweiss Broking Limited	4.03	-
13	Interest receivable-Accrued & due-Group Company	Edelweiss Rural & Corporate Services Limited	17.57	-
		Edel Finance Company Limited	0.98	-
14	Interest accrued but not due on debentures and bonds of	ECL Finance Limited	-	34.49
15	Margin placed with broker	Edelweiss Custodial Services Limited	667.67	59.40
		Edelweiss Securities Limited	-	1.33
16	Corporate Guarantee taken from	Edelweiss Financial Services Limited	5,030.10	8,492.50

#### Note

- The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.



**Edelweiss Finvest Private Limited****Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**46. Capital Management**

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

**The Pillars of its policy are as follows:**

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

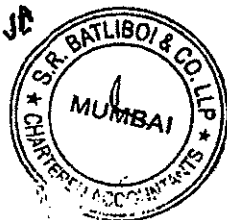
This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

**Regulatory capital**

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Capital Funds</b>			
Net owned funds (Tier I capital)	8,744.79	7,875.63	4,327.38
Tier II capital	589.86	512.65	670.56
<b>Total capital funds</b>	<b>9,334.65</b>	<b>8,388.28</b>	<b>4,997.94</b>
<b>Total risk weighted assets/ exposures</b>	<b>32,828.41</b>	<b>35,933.69</b>	<b>18,150.75</b>
<b>% of capital funds to risk weighted assets/exposures:</b>			
Tier I capital	26.64%	21.92%	23.84%
Tier II capital	1.80%	1.43%	3.69%
Total capital Funds	28.44%	23.35%	27.53%

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

#### 47. Fair Value measurement:

##### 47.A Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.10 for more details on fair value hierarchy

##### 47.B Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

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

As at March 31, 2019

Assets measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

413.69

-

-

413.69

Embedded derivatives in benchmark-linked debentures

-

-

327.50

327.50

Total derivative financial instruments - A

413.69

-

327.50

741.19

Financial assets held for trading

Other debt securities

-

1,142.87

-

1,142.87

Total financial assets held for trading - B

-

1,142.87

-

1,142.87

Investments

Equity shares

-

-

6.58

6.58

Preference shares

-

-

37.27

37.27

Security receipts

-

-

845.69

845.69

Units of AIF

-

-

290.68

290.68

Units of venture fund

-

-

91.65

91.65

Total Investments measured at fair value - C

-

-

1,271.87

1,271.87

Total (A+B+C)

413.69

1,142.87

1,599.37

3,155.93

Liabilities measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

2.57

-

-

2.57

Embedded derivatives in benchmark-linked debentures

-

-

422.49

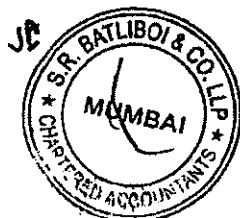
422.49

2.57

-

422.49

425.06





# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 47. Fair Value measurement: (Continued)

As at March 31, 2018

Assets measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

Total derivative financial instruments - A

Financial assets held for trading

Other debt securities

Equity instruments

Mutual fund units

Total financial assets held for trading - B

Investments

Equity shares

Preference shares

Security receipts

Units of AIF

Units of venture fund

Total investments measured at fair value - C

Total (A+B+C)

Liabilities measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

As at April 01, 2017

Assets measured at fair value on a recurring basis

Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

Total derivative financial instruments - A

Financial assets held for trading

Government debt securities

Other debt securities

Mutual fund units

Equity instruments

Total financial assets held for trading - B

Investments

Equity shares

Preference shares

Security receipts

Units of AIF

Units of venture fund

Mutual fund units

Warrants

Total investments measured at fair value - C

Total (A+B+C)

Liabilities measured at fair value on a recurring basis

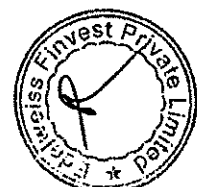
Derivative financial instruments

Exchange-traded derivatives

Embedded derivatives in benchmark-linked debentures

Total (A+B)

	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2018</b>				
<b>Assets measured at fair value on a recurring basis</b>				
Derivative financial instruments				
Exchange-traded derivatives	1.90	-	-	1.90
Embedded derivatives in benchmark-linked debentures	-	-	287.67	287.67
<b>Total derivative financial instruments - A</b>	<b>1.90</b>	<b>-</b>	<b>287.67</b>	<b>289.57</b>
Financial assets held for trading				
Other debt securities	-	101.01	-	101.01
Equity instruments	100.00	-	-	100.00
Mutual fund units	1,498.73	-	-	1,498.73
<b>Total financial assets held for trading - B</b>	<b>1,598.73</b>	<b>101.01</b>	<b>-</b>	<b>1,699.74</b>
Investments				
Equity shares	-	-	3.63	3.63
Preference shares	-	-	25.69	25.69
Security receipts	-	-	3,692.00	3,692.00
Units of AIF	-	-	223.67	223.67
Units of venture fund	-	-	82.37	82.37
<b>Total investments measured at fair value - C</b>	<b>-</b>	<b>-</b>	<b>4,027.36</b>	<b>4,027.36</b>
<b>Total (A+B+C)</b>	<b>1,600.63</b>	<b>101.01</b>	<b>4,315.03</b>	<b>6,016.67</b>
<b>Liabilities measured at fair value on a recurring basis</b>				
Derivative financial instruments				
Exchange-traded derivatives	11.12	-	-	11.12
Embedded derivatives in benchmark-linked debentures	-	-	212.44	212.44
	<b>11.12</b>	<b>-</b>	<b>212.44</b>	<b>223.56</b>
<b>As at April 01, 2017</b>				
<b>Assets measured at fair value on a recurring basis</b>				
Derivative financial instruments				
Exchange-traded derivatives	61.78	-	-	61.78
Embedded derivatives in benchmark-linked debentures	-	-	218.72	218.72
<b>Total derivative financial instruments - A</b>	<b>61.78</b>	<b>-</b>	<b>218.72</b>	<b>280.50</b>
Financial assets held for trading				
Government debt securities	-	-	-	-
Other debt securities	-	-	-	-
Mutual fund units	-	-	-	-
Equity instruments	1,230.94	-	-	1,230.94
<b>Total financial assets held for trading - B</b>	<b>1,230.94</b>	<b>-</b>	<b>-</b>	<b>1,230.94</b>
Investments				
Equity shares	444.88	-	366.55	811.43
Preference shares	-	-	25.69	25.69
Security receipts	-	-	2,173.04	2,173.04
Units of AIF	-	-	29.16	29.16
Units of venture fund	-	-	52.75	52.75
Mutual fund units	98.66	-	-	98.66
Warrants	-	11.49	-	11.49
<b>Total investments measured at fair value - C</b>	<b>543.54</b>	<b>11.49</b>	<b>2,647.19</b>	<b>3,202.22</b>
<b>Total (A+B+C)</b>	<b>1,836.26</b>	<b>11.49</b>	<b>2,865.91</b>	<b>4,713.66</b>
<b>Liabilities measured at fair value on a recurring basis</b>				
Derivative financial instruments				
Exchange-traded derivatives	24.34	-	-	24.34
Embedded derivatives in benchmark-linked debentures	-	-	266.32	266.32
<b>Total (A+B)</b>	<b>24.34</b>	<b>-</b>	<b>266.32</b>	<b>290.66</b>



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### D. Valuation techniques:

##### Debt securities:

Fair value of debt securities is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. The Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded, the Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

##### Security receipts

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

##### Equity instruments, preference shares, warrants and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Unquoted equity instruments, preference shares and warrants are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. All unquoted instruments are classified at Level 3.

##### Units of AIF Fund and Venture Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3.

##### Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indicés) data wherever possible, including prices available from exchanges, dealers, brokers. Company classify these embedded derivative as level 3 instruments.

##### Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1.

E. There have been no transfers between levels during the year ended March 31, 2019 and March 31, 2018.

F. 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 2019	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Other debt securities	Total
Investments - at April 1, 2018	3,692.00	223.67	82.37	3.63	25.69	4,027.36
Purchase	5,302.21	35.97	-	-	-	5,338.18
Sale / redemption proceeds	(8,350.50)	-	-	-	-	(8,350.50)
Transfer into level 3	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-
Profit for the year recognised in profit or loss	201.98	31.04	9.28	2.95	11.58	256.83
Investments - at March 31, 2019	845.69	290.68	91.65	6.58	37.27	1,271.87
Unrealised gain/(Loss) related to balances held at the end of the year	311.21	38.56	21.66	4.84	(2.73)	373.54

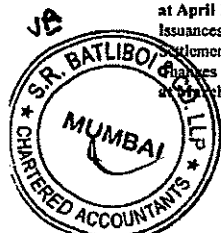
Financial year ended March 2018	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Other debt securities	Total
Investments - at April 1, 2017	2,173.04	29.16	52.75	366.55	25.69	2,647.19
Purchase	2,263.38	187.00	21.67	-	-	2,472.05
Sale / redemption proceeds	(959.01)	-	-	(413.95)	-	(1,372.96)
Transfer into level 3	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-
Profit for the year recognised in profit or loss	214.59	7.51	7.95	51.03	-	281.08
Investments - at March 31, 2018	3,692.00	223.67	82.37	3.63	25.69	4,027.36
Unrealised gain/(Loss) related to balances held at the end of the year	229.73	7.51	12.37	1.89	(14.31)	237.19

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 2019	Embedded Options		Net Balance
	Assets	Liabilities	
at April 1, 2018	287.67	212.44	75.23
Issuances	244.04	208.91	35.13
Settlements	71.95	42.29	29.66
Changes in fair value recognised in profit or loss	(276.16)	(41.15)	(235.01)
Investments - at March 31, 2019	327.50	422.49	(94.99)

Financial year ended March 2018	Embedded Options		Net Balance
	Assets	Liabilities	
at April 1, 2017	218.37	223.17	(4.80)
Issuances	126.55	176.63	(50.08)
Settlements	(57.66)	(182.31)	124.65
Changes in fair value recognised in profit or loss	0.42	(5.05)	5.47
Investments - at March 31, 2018	287.68	212.44	75.24



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

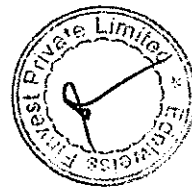
(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### F. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 instruments. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	845.69	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	308.58	5% increase in Expected future Cash flow	41.53	5% Decrease in Expected future Cash flow	(41.53)
			Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(9.97)	0.5% Decrease in Risk-adjusted discount rate	10.19
Units of AIF	290.68	Net Asset approach	Fair value of underlying investments	Rs. 107,701 to Rs. 141,337 per unit	5% Increase in Fair value of Underlying Investment	14.53	5% Decrease in Fair value of Underlying Investment	(14.53)
Units of venture fund	91.65	Net Asset approach	Fair value of underlying investments	Rs. 125,966 to Rs. 195,558 per unit	5% Increase in Fair value of Underlying Investment	4.58	5% Decrease in Fair value of Underlying Investment	(4.58)
Unquoted equity shares	6.58	Comparable transaction and P/E	Fair value per share	Rs. 182 per share	5% Increase in Fair value	0.33	5% Decrease in Fair value	(0.33)
Unquoted preference shares	37.27	Comparable transaction and P/E	Fair value per share	Rs. 7,141 per share	5% Increase in Fair value	1.86	5% Decrease in Fair value	(1.86)
Embedded derivatives (net)	94.99	Discounted Cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Market Index curve	(4.27)	5% Decrease in Market Index curve	4.27
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.51	0.5% decrease in Risk-adjusted discount rate	(0.51)



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency/Indian rupees in million)

## Value measurement: (Continued)

Impact on fair value of level 3 financial instrument of changes to key unobservable inputs (continued)

Type of Financial Instruments	Fair value of asset as on 31 March 2018	Valuation Techniques	Significant Unobservable Input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	3,692.00	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	277.14	5% increase in Expected future Cash flow	125.95	5% Decrease in Expected future Cash flow	(125.95)
			Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(34.56)	0.5% Decrease in Risk-adjusted discount rate	35.36
Unit of AIF	223.67	Net Asset approach	Fair value of underlying investments	Rs. 101,435 to Rs. 109,179 per unit	5% Increase in Fair value of Underlying Investment	11.18	5% Decrease in Fair value of Underlying Investment	(11.18)
Units of venture fund	82.37	Net Asset approach	Fair value of underlying investments	Rs. 114,692 to Rs. 156,471 per unit	5% Increase in Fair value of Underlying Investment	4.12	5% Decrease in Fair value of Underlying Investment	(4.12)
Unquoted equity shares	3.63	Comparable transaction and P/E	Fair value per share	Rs. 101 per share	5% Increase in Fair value	0.18	5% Decrease in Fair value	(0.18)
Unquoted preference shares	25.69	Comparable transaction and P/E	Fair value per share	Rs. 4,923 per share	5% Increase in Fair value	1.28	5% Decrease in Fair value	(1.28)
Embedded derivatives (net)	75.23	Discounted Cash flow: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market Index Curve	5%	5% increase in Market Index curve	(3.39)	5% Decrease in Market Index curve	3.39
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.41	0.5% increase in Risk-adjusted discount rate	(0.41)



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

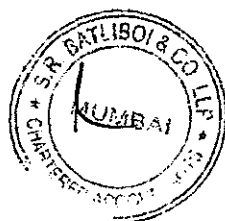
(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### G. Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and cash equivalents	4,670.11	4,670.11	-	-	4,670.11
Trade Receivables	21.34	-	21.34	-	21.34
Other Receivables	26.46	-	26.46	-	26.46
Loans	24,560.55	-	-	24,817.05	24,817.05
Investments	590.14	-	590.14	-	590.14
Other financial assets	668.12	-	668.12	-	668.12
<b>Total Financial Assets</b>	<b>30,536.72</b>	<b>4,670.11</b>	<b>1,306.06</b>	<b>24,817.05</b>	<b>30,793.22</b>
<b>Financial Liabilities</b>					
Trade payables	323.89	-	323.89	-	323.89
Debt securities	22,275.76	-	18,867.53	-	18,867.53
Borrowings (other than debt securities)	337.18	-	342.34	-	342.34
Subordinated Liabilities	161.17	-	169.78	-	169.78
Other financial liabilities	22.74	-	22.74	-	22.74
<b>Total Financial Liabilities</b>	<b>23,120.74</b>	<b>-</b>	<b>19,726.28</b>	<b>-</b>	<b>19,726.28</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	8,823.44	-	-	3,700.92	3,700.92
<b>Total Off balance-sheet items</b>	<b>8,823.44</b>	<b>-</b>	<b>-</b>	<b>3,700.92</b>	<b>3,700.92</b>
<b>As at March 31, 2018</b>	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>					
Cash and cash equivalents	363.75	363.75	-	-	363.75
Trade Receivables	12.85	-	12.85	-	12.85
Other Receivables	10.60	-	10.60	-	10.60
Loans	27,977.43	-	-	27,904.85	27,904.85
Investments	590.14	-	590.14	-	590.14
Other financial assets	19.33	-	19.33	-	19.33
<b>Total Financial Assets</b>	<b>28,974.10</b>	<b>363.75</b>	<b>632.92</b>	<b>27,904.85</b>	<b>28,901.52</b>
<b>Financial Liabilities</b>					
Trade payables	345.54	-	345.54	-	345.54
Debt securities	17,970.76	-	15,883.42	-	15,883.42
Borrowings (other than debt securities)	8,198.80	-	8,321.57	-	8,321.57
Subordinated Liabilities	161.26	-	180.36	-	180.36
Other financial liabilities	16.54	-	16.54	-	16.54
<b>Total Financial Liabilities</b>	<b>26,692.90</b>	<b>-</b>	<b>24,747.43</b>	<b>-</b>	<b>24,747.43</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	828.12	-	-	293.49	293.49
<b>Total Off balance-sheet items</b>	<b>828.12</b>	<b>-</b>	<b>-</b>	<b>293.49</b>	<b>293.49</b>



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 47. Fair Value measurement: (Continued)

#### G. Fair value of financial instruments not measured at fair value (continued):

As at April 01, 2017	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and cash equivalents	70.20	70.20	-	-	70.20
Trade Receivables	0.02	-	0.02	-	0.02
Other Receivables	69.76	-	69.76	-	69.76
Loans	14,363.67	-	-	14,518.22	14,518.22
Investments	656.81	-	656.81	-	656.81
Other financial assets	460.66	-	460.66	-	460.66
<b>Total Financial Assets</b>	<b>15,621.12</b>	<b>70.20</b>	<b>1,187.25</b>	<b>14,518.22</b>	<b>15,775.67</b>
<b>Financial Liabilities</b>					
Trade payables	74.35	-	74.35	-	74.35
Debt securities	12,945.64	-	11,513.04	-	11,513.04
Borrowings (other than debt securities)	12.01	-	12.01	-	12.01
Subordinated Liabilities	161.12	-	182.26	-	182.26
Other financial liabilities	58.65	-	58.65	-	58.65
<b>Total Financial Liabilities</b>	<b>13,251.77</b>	<b>-</b>	<b>11,840.31</b>	<b>-</b>	<b>11,840.31</b>
<b>Off balance-sheet items</b>					
Undrawn commitments	212.94	-	-	70.58	70.58
<b>Total Off balance-sheet items</b>	<b>212.94</b>	<b>-</b>	<b>-</b>	<b>70.58</b>	<b>70.58</b>

#### H. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

##### Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

##### Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

##### Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

##### Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows after applying the credit conversion factor, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 48. Risk Management

#### A. Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

#### B. Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### C. Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

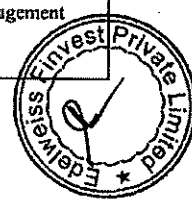
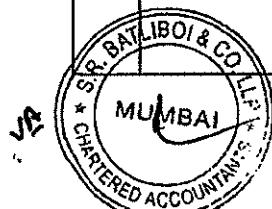
It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

#### D. Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
1	<b>Credit risk</b> Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments;  Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and  Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
2	<b>Liquidity risk</b> Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows.  Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio  Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities.  Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company.
3	<b>Market risk</b> Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios.  Monitored using measures, including the sensitivity of net interest income.  Managed using risk limits approved by the risk management committee.



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

#### 48. Risk Management

##### 48.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

##### Derivative financial instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

##### Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage 1
Standard grade	31 to 90 dpd	Stage 2
Non-performing		
Individually impaired	90+ dpd	Stage 3

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

##### Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

##### Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

##### Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.





**Edelweiss Finvest Private Limited****Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**48. Risk Management (continued)****48.D.1 Credit Risk (continued)****Exposure at Default (EAD)**

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} \times \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

**Forward looking adjustments**

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

**Data sourcing**

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

**Probability weighted scenario creations:**

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

The significant economic parameters scenarios used are as follows:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Company has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

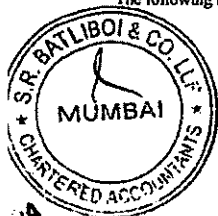
Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

**48.D.2 Risk Concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table shows the risk concentration by industry for the components of the balance sheet



**Edelweiss Finvest Private Limited**
**Notes to the financial statements for the year ended March 31, 2019**

(Currency: Indian rupees in million)

**48. Risk Management (continued)**
**Credit Risk (continued)**
**48.D.2 Industry analysis - Risk concentration as at 31 March 2019**

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	4,670.11	-	-	-	-	-	-	-	4,670.11
Derivative financial instruments	706.85	-	-	-	-	-	-	-	706.85
Securities held for trading	1,142.86	-	-	-	-	-	-	-	1,142.86
Trade receivables	-	-	-	-	-	-	-	21.34	21.34
Other receivables	-	-	-	-	-	-	-	26.46	26.46
Loans	1,620.97	-	-	4,936.86	10,165.95	3,009.73	5,308.69	-	25,042.20
Investments	1,733.09	-	-	-	-	-	-	128.92	1,862.01
Other financial assets	668.12	-	-	-	-	-	-	-	668.12
<b>Total Assets</b>	<b>10,542.00</b>	<b>-</b>	<b>-</b>	<b>4,936.86</b>	<b>10,165.95</b>	<b>3,009.73</b>	<b>5,308.69</b>	<b>176.72</b>	<b>34,139.95</b>

**Industry analysis - Risk concentration as at 31 March 2018**

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	363.75	-	-	-	-	-	-	-	363.75
Derivative financial instruments	287.70	-	-	-	-	-	-	-	287.70
Securities held for trading	1,699.73	-	-	-	-	-	-	-	1,699.73
Trade receivables	-	-	-	-	-	-	-	12.85	12.85
Other receivables	-	-	-	-	-	-	-	10.60	10.60
Loans	747.07	-	-	6,025.60	14,859.39	5,352.39	1,837.66	-	28,822.11
Investments	4,509.44	-	-	-	-	-	-	108.06	4,617.50
Other financial assets	19.33	-	-	-	-	-	-	-	19.33
<b>Total Assets</b>	<b>7,627.02</b>	<b>-</b>	<b>-</b>	<b>6,025.60</b>	<b>14,859.39</b>	<b>5,352.39</b>	<b>1,837.66</b>	<b>131.51</b>	<b>35,833.57</b>

**Industry analysis - Risk concentration as at 1 April 2017**

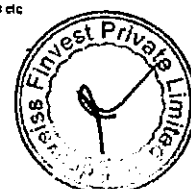
Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
<b>Financial Assets</b>									
Cash and cash equivalents	70.20	-	-	-	-	-	-	-	70.20
Derivative financial instruments	259.68	-	-	-	-	-	-	-	259.68
Securities held for trading	177.70	-	-	-	-	-	-	1,053.23	1,230.93
Trade receivables	-	-	-	-	-	-	-	0.02	0.02
Other receivables	-	-	-	-	-	-	-	69.76	69.76
Loans	2,204.99	-	-	3,207.50	5,467.59	3,588.62	112.75	-	14,581.45
Investments	3,529.42	-	-	-	-	-	-	329.61	3,859.03
Other financial assets	460.66	-	-	-	-	-	-	-	460.66
<b>Total Assets</b>	<b>6,702.65</b>	<b>-</b>	<b>-</b>	<b>3,207.50</b>	<b>5,467.59</b>	<b>3,588.62</b>	<b>112.75</b>	<b>1,452.62</b>	<b>20,531.73</b>

**48.D.3 Collateral and other credit enhancements**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk			Principal type of collateral
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	
<b>Financial assets</b>				
Cash and cash equivalents	4,670.11	363.75	70.20	
Derivative financial instruments	706.85	287.70	259.68	
Securities held for trading	1,142.86	1,699.74	1,230.94	The Company invest in high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	21.34	12.85	0.02	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Other receivables	26.46	10.60	69.76	
Loans:				
i) Corporate Credit	19,733.51	27,000.13	14,468.66	Equity Shares, Mutual Fund units, Land, Property, Project Receivable etc.
ii) Retail Credit	5,308.69	1,821.98	112.79	Equity shares and Mutual fund units, Bonds, etc.
Investments	1,862.01	4,617.50	3,859.03	
Other financial assets	668.12	19.33	460.66	
<b>Total Financial Assets (A)</b>	<b>34,139.95</b>	<b>35,833.57</b>	<b>20,531.74</b>	
Loan commitments	8,823.44	828.12	212.94	Equity Shares, Mutual Fund units, Land, Property, Project Receivable etc.
Derivatives (B)	8,823.44	828.12	212.94	
<b>Total (A+B)</b>	<b>42,963.39</b>	<b>36,661.70</b>	<b>20,744.68</b>	



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**48. Risk Management (continued)****48.D.3 Collateral and other credit enhancements (continued)**

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

**Maximum exposure to credit risk as at March 31, 2019**

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	106.83	51.73	55.10	883.20
Retail Credit	4.30	1.23	3.07	3.21
<b>Total Financial Assets</b>	<b>111.13</b>	<b>52.96</b>	<b>58.17</b>	<b>886.41</b>

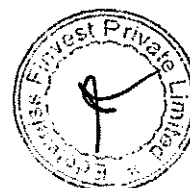
\* Secured by way of a pari passu charge over collateral

**Maximum exposure to credit risk as at March 31, 2018**

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit	506.20	493.29	12.91	1,158.70
Retail Credit	-	-	-	-
<b>Total Financial Assets</b>	<b>506.20</b>	<b>493.29</b>	<b>12.91</b>	<b>1,158.70</b>

**Maximum exposure to credit risk as at April 1, 2017**

There are no financial assets classified as stage 3 as at April 1, 2017.



## 48. Risk Management (Continued)

## 48.E Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities, Mutual Funds and Quoted Equity Shares. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Private issue of Debt, Sub Debt etc to maintain a healthy mix.

## Liquidity Cushion:

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Liquidity cushion			
Debt Securities	1,142.87	101.01	-
Mutual Fund Investments	-	1,498.73	-
Quoted Equity Instruments	-	100.00	1,230.94
Total Liquidity cushion	1,142.87	1,699.74	1,230.94

## Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at 31 March 2019	As at 31 March 2018	As at 1-Apr-17
Committed Lines from Banks	45.00	45.00	-

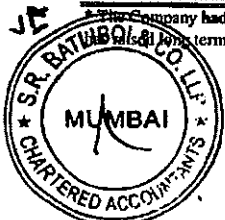
## As at March 31, 2019 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	120.11	4,500.00	-	50.00	-	-	4,670.11
Derivative financial instruments	-	706.85	-	-	-	-	706.85
Securities held for trading	-	1,142.86	-	-	-	-	1,142.86
Receivables							
(i) Trade receivables	-	21.34	-	-	-	-	21.34
(ii) Other receivables	-	26.46	-	-	-	-	26.46
Loans	-	2,363.81	1,537.40	4,482.87	23,730.63	1,137.45	33,252.16
Investments	-	-	-	-	-	1,862.01	1,862.01
Other financial assets	-	668.12	-	-	-	-	668.12
<b>Total undiscounted financial assets</b>	<b>120.11</b>	<b>9,429.44</b>	<b>1,537.40</b>	<b>4,532.87</b>	<b>23,730.63</b>	<b>2,999.46</b>	<b>42,349.91</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	422.49	-	-	-	-	422.49
(b) Trade payables	-	323.89	-	-	-	-	323.89
(c) Debt securities	-	4,613.34	1,384.83	4,566.83	9,605.55	2,171.33	22,341.88
(d) Borrowings (other than debt securities)	12.40	33.13	32.52	63.07	254.19	-	395.31
(e) Subordinated Liabilities	-	-	16.45	-	66.05	183.05	265.55
(f) Other financial liabilities	-	22.74	-	-	-	-	22.74
<b>Total undiscounted financial liabilities</b>	<b>12.40</b>	<b>5,415.59</b>	<b>1,433.80</b>	<b>4,629.90</b>	<b>9,925.79</b>	<b>2,354.38</b>	<b>23,771.86</b>
<b>Total net financial assets / (liabilities)</b>	<b>107.71</b>	<b>4,013.85</b>	<b>103.60</b>	<b>(97.03)</b>	<b>13,804.84</b>	<b>645.08</b>	<b>18,578.05</b>

## As at March 31, 2018 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	363.75	-	-	-	-	-	363.75
Derivative financial instruments	-	287.70	-	-	-	-	287.70
Securities held for trading	-	1,699.74	-	-	-	-	1,699.74
Receivables							
(i) Trade receivables	-	12.85	-	-	-	-	12.85
(ii) Other receivables	-	10.60	-	-	-	-	10.60
Loans	-	502.33	1,132.50	2,919.55	32,715.16	1,728.01	38,997.55
Investments	-	-	-	-	-	4,617.50	4,617.50
Other financial assets	-	19.33	-	-	-	-	19.33
<b>Total undiscounted financial assets</b>	<b>363.75</b>	<b>2,532.55</b>	<b>1,132.50</b>	<b>2,919.55</b>	<b>32,715.16</b>	<b>6,345.51</b>	<b>46,009.02</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	212.44	-	-	-	-	212.44
(b) Trade payables	-	345.54	-	-	-	-	345.54
(c) Debt securities	-	1,051.21	3,697.11	2,504.87	9,290.92	1,613.73	18,157.84
(d) Borrowings (other than debt securities)	7,774.17	37.31	31.08	843.40	382.92	-	9,068.88
(e) Subordinated Liabilities	-	-	16.55	-	66.00	199.55	282.10
(g) Other financial liabilities	-	16.54	-	-	-	-	16.54
<b>Total undiscounted financial liabilities</b>	<b>7,774.17</b>	<b>1,663.64</b>	<b>3,744.74</b>	<b>3,348.27</b>	<b>9,739.84</b>	<b>1,813.28</b>	<b>28,083.34</b>
<b>Total net financial assets / (liabilities)*</b>	<b>(7,410.42)</b>	<b>869.51</b>	<b>(2,612.24)</b>	<b>(428.72)</b>	<b>22,975.32</b>	<b>4,532.23</b>	<b>17,925.68</b>

\* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company repaid of the above activities during the financial year 2018-19 and has a positive ALM position as at March 31, 2019.



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**48. Risk Management (Continued)**
**48.E Liquidity Risk (continued)**
**As at April 1, 2017 - Analysis of contractual maturities of financial assets and liabilities**

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
<b>Financial Assets</b>							
Cash and cash equivalents	70.20	-	-	-	-	-	70.20
Derivative financial instruments	-	259.68	-	-	-	-	259.68
Securities held for trading	-	1,230.94	-	-	-	-	1,230.94
Receivables							
(i) Trade receivables	-	0.02	-	-	-	-	0.02
(ii) Other receivables	-	69.76	-	-	-	-	69.76
Loans	-	2,290.37	827.43	4,674.40	10,706.23	138.66	18,637.09
Investments	-	98.66	-	-	-	3,760.37	3,859.03
Other financial assets	-	460.66	-	-	-	-	460.66
<b>Total undiscounted financial assets</b>	<b>70.20</b>	<b>4,410.09</b>	<b>827.43</b>	<b>4,674.40</b>	<b>10,706.23</b>	<b>3,899.03</b>	<b>24,587.38</b>
<b>Financial Liabilities</b>							
(a) Derivative financial instruments	-	266.32	-	-	-	-	266.32
(b) Trade payables	-	74.35	-	-	-	-	74.35
(c) Debt securities	-	237.17	439.74	5,690.44	6,393.97	316.88	13,078.20
(d) Borrowings (other than debt securities)	12.01	-	-	-	-	-	12.01
(f) Subordinated Liabilities	-	-	16.55	-	66.05	216.05	298.65
(g) Other financial liabilities	-	58.65	-	-	-	-	58.65
<b>Total undiscounted financial liabilities</b>	<b>12.01</b>	<b>636.49</b>	<b>456.29</b>	<b>5,690.44</b>	<b>6,460.02</b>	<b>532.93</b>	<b>13,788.18</b>
<b>Total net financial assets / (liabilities)</b>	<b>58.19</b>	<b>3,773.60</b>	<b>371.14</b>	<b>(1,016.04)</b>	<b>4,246.21</b>	<b>3,366.10</b>	<b>10,799.20</b>

**Contractual expiry of commitments**

The table below shows the contractual expiry by maturity of the Company's commitments.

**As at March 31, 2019**

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	0.06	-	-	0.06
Undrawn committed credit lines	-	-	8,823.44	-	-	8,823.44
Uncalled liabilities on non-current investments	233.87	-	-	-	-	233.87
	<b>233.87</b>	<b>-</b>	<b>8,823.50</b>	<b>-</b>	<b>-</b>	<b>9,057.37</b>

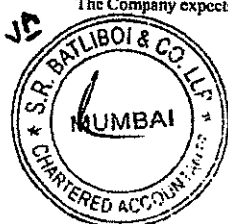
**As at March 31, 2018**

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	1.96	-	-	1.96
Undrawn committed credit lines	-	-	828.12	-	-	828.12
Uncalled liabilities on non-current investments	269.84	-	-	-	-	269.84
	<b>269.84</b>	<b>-</b>	<b>830.08</b>	<b>-</b>	<b>-</b>	<b>1,099.92</b>

**As at March 31, 2017**

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	-	-	-	-
Undrawn committed credit lines	-	-	212.94	-	-	212.94
Uncalled liabilities on non-current investments	154.51	-	-	-	-	154.51
	<b>154.51</b>	<b>-</b>	<b>212.94</b>	<b>-</b>	<b>-</b>	<b>367.45</b>

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 48. Risk Management (Continued)

### 48.F Market Risk

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

#### Global market risk exposure

Below table shows total market risk exposure of financial assets liabilities and financial liabilities with primary risk associated with class of respective financial assets.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017			Primary market risk sensitivity
	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	
<b>Financial Assets</b>										
Cash and cash equivalents	4,670.11	-	4,670.11	363.75	-	363.75	70.20	-	70.20	Interest rate risk
Derivative financial instruments	706.85	706.85	-	287.70	287.70	-	259.68	259.68	-	Price risk, interest rate risk
Securities held for trading	1,142.86	1,142.86	-	1,699.74	1,699.74	-	1,230.94	1,230.94	-	Price risk, interest rate risk
Trade receivables	21.34	-	21.34	12.85	-	12.85	0.02	-	0.02	Price risk, interest rate risk
Other receivables	26.46	-	26.46	10.60	-	10.60	69.76	-	69.76	Interest rate risk
Loans	24,560.55	-	24,560.55	27,977.43	-	27,977.43	14,363.67	-	14,363.67	Interest rate risk
Investments	1,862.01	-	1,862.01	4,617.50	-	4,617.50	3,859.03	543.54	3,315.49	Price risk, interest rate risk
Other financial assets	668.12	-	668.12	19.33	-	19.33	460.66	-	460.66	Interest rate risk
<b>Total Assets</b>	<b>33,658.30</b>	<b>1,849.71</b>	<b>31,808.59</b>	<b>34,988.90</b>	<b>1,987.44</b>	<b>33,001.46</b>	<b>20,313.96</b>	<b>2,034.16</b>	<b>18,279.80</b>	
<b>Financial Liabilities</b>										
Derivative financial instruments	422.49	422.49	-	212.44	212.44	-	266.32	266.32	-	Price risk, interest rate risk
Trade payables	323.89	-	323.89	345.54	-	345.54	74.35	-	74.35	Price risk, interest rate risk
Debt securities	22,275.76	-	22,275.76	17,970.76	-	17,970.76	12,945.64	-	12,945.64	Price risk, interest rate risk
Borrowings (other than debt securities)	337.18	-	337.18	8,198.80	-	8,198.80	12.01	-	12.01	Interest rate risk
Subordinated Liabilities	161.17	-	161.17	161.26	-	161.26	161.12	-	161.12	Interest rate risk
Other financial liabilities	22.74	-	22.74	16.54	-	16.54	58.65	-	58.65	Interest rate risk
<b>Total Liabilities</b>	<b>23,543.23</b>	<b>422.49</b>	<b>23,120.74</b>	<b>26,905.34</b>	<b>212.44</b>	<b>26,692.90</b>	<b>13,518.09</b>	<b>266.32</b>	<b>13,251.77</b>	



# Edelweiss Finvest Private Limited

## Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 48. Risk Management

#### 48.F Market Risk (continued)

##### Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of 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. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2019 and at 31 March 2018

##### Interest rate sensitivity

As at March 31, 2019						
	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(0.81)	-	25	0.81	-
Corporate debt securities	25	(2.86)	-	25	2.86	-

As at March 31, 2018						
	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(1.06)	-	25	1.06	-
Corporate debt securities	25	(0.25)	-	25	0.25	-

##### Price Risk

The Company's exposure to securities price risk arises from investments held in Equity Shares classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

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.

As at March 31, 2019						
	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	171.75	-	5	(171.75)	-

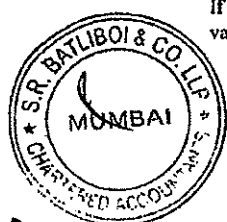
  

As at March 31, 2018						
	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(6.32)	-	5	6.32	-
Equity instruments	5	5.00	-	5	(5.00)	-
Mutual fund units	5	74.94	-	5	(74.94)	-

#### 48.G Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by Rs. 105.94 million (previous year Rs. 83.61 million)



## Edelweiss Finvest Private Limited

### Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

#### 49. First Time adoption

These financial statements, for the year ended 31 March 2019, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

#### Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

#### Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### Share based Payments

The Group has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (1 April 2017).

#### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.



A handwritten signature in black ink, appearing to be a stylized 'S' or 'B' followed by a checkmark-like flourish.



# Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

## 49. First Time adoption (continued)

### Classification and measurement of financial assets:

The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

### Reconciliation of Equity as at:

Particulars	As at 31 March 2018	As at 1 April 2017
Total Equity / Shareholders' Funds as per Previous GAAP	8,384.33	5,396.97
Add: Impact of merger (Refer note 51.1)	-	1,646.04
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:		
Effective interest rate on financial assets and liabilities (net) *	(186.90)	63.87
Expected credit loss provision	(253.58)	(178.35)
Fair valuation of assets and liabilities	249.39	62.49
Others	27.26	-
Deferred tax adjustment on above	82.88	(68.32)
Total adjustment to Equity	(80.94)	(120.31)
Total Equity / Shareholders' Funds as per Ind AS	8,303.39	6,922.70

### Reconciliation of Total Comprehensive Income for the year ended 31 March 2018

Particulars	Year Ended 31 March 2018
Profit as reported under previous GAAP (A)	1,332.20
Ind AS adjustment on account of:	
Effective interest rate on financial assets and liabilities (net) *	(250.77)
Expected credit loss provision	(75.22)
Fair valuation of assets and liabilities	(113.09)
Fair valuation of employee stock options	(1.57)
Others	27.22
Tax effect on above adjustments	145.07
	(268.36)
Net profit as per Ind AS	1,063.84
Other Comprehensive Income for the year (net of tax) - Items that will not be reclassified to profit or loss	0.05
Total Comprehensive Income as per Ind AS	1,063.89

\* The Company has issued benchmark linked debentures (debentures) and is required to segregate the component of host contract and embedded derivative within it to effect appropriate accounting treatment under IND AS. The Company has accordingly carried out the measurement of debentures and recognized reversal of finance cost (pre tax) of Rs. 50.56 million in the transition reserve as at April 1, 2017, and incremental finance cost (pre tax) of Rs. 234.82 million and Rs. 316.85 million in the profit and loss for the financial years 2017-18 and 2018-19 respectively, in line with the requirement under IND AS.



## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

### 49. First Time adoption (continued)

**Classification and measurement of financial assets:**

**Reference notes to reconciliation of Equity and profit & Loss**

**Remeasurements of post-employment benefit obligations**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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. Thus the employee benefit cost is reduced by Rs. 0.08 million and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

**Share Based Payment**

Under the previous GAAP, the cost of ESOPs were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

**Trade receivables /Loans:**

Under Previous GAAP the Company has created provision for impairment of receivables and Loans based on incurred losses where as under Ind AS, Impairment allowance has been determined based on Expected credit loss model (ECL).

**Effective Interest Rate (EIR)**

Under previous GAAP, Loan Processing fees charged to customer was recognised upfront in Statement of profit and loss while under Ind AS, such fees are included in initial recognition amount of financial assets.

Under previous GAAP, transaction cost on borrowings were charged to Statement of profit and loss upfront while under Ind AS, such cost are included in initial recognition amount of financial liability and is amortised over the tenure of the borrowings.

**Deferred Tax**

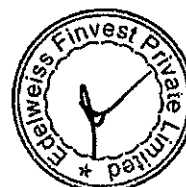
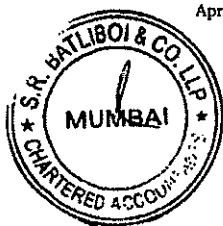
Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

**Valuation of Investments/Securities held for trading**

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Securities held for trading and long term investment based on intent of holding period and realisability Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments, other than investments in Preference shares, are measured at fair value. The investment in Preference shares is measured at amortised cost.

**Reclassification of provision of standard / non-performing assets (NPA)**

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to Rs. 26.97 million and Rs. 591.11 million as on 1 April 2017 and 31 March 2018 respectively.



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**50 Regulatory disclosures - RBI**

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR, PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

**50.01 Investments**

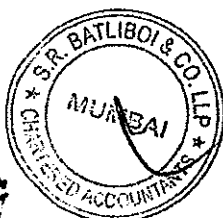
	2019	2018
1) Value of Investments (including Securities held for trading)		
i) Gross Value of Investments		
a) In India	3,004.87	6,317.24
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	3,004.87	6,317.24
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

**50.02 Capital to Risk Assets Ratio (CRAR)**

	2019	2018
i) CRAR (%)	28.44%	23.35%
ii) CRAR - Tier I capital (%)	26.64%	21.92%
iii) CRAR - Tier II Capital (%)	1.80%	1.43%
iv) Amount of subordinated debt raised as Tier-II capital	161.17	161.26
v) Amount raised by issue of Perpetual Debt Instruments		

**50.03 Exposure to real estate sector, both direct and indirect**

	2019	2018
A Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to ₹.15 lakhs may be shown separately)	-	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	14,178.15	17,793.60
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
C Others (not covered above)	-	-



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

**50.04 Exposure to Capital Market**

	2019	2018
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	596.72	593.77
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	3,074.58	976.89
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	6,845.75	8,078.25
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	91.65	82.37
ix) others (not covered above)	-	-
<b>Total Exposure</b>	<b>10,608.70</b>	<b>9,731.28</b>

**50.05 Asset Liability Management -Maturity pattern of certain items of assets and liabilities**

As at 31 March 2019

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter-corporate loan	Loans and Advances	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	3,618.90	12.40	834.35	-	1,142.86
Over One months to 2 months	-	816.78	-	146.95	-	-
Over 2 months up to 3 months	25.00	139.20	-	879.80	-	-
Over 3 months to 6 months	25.00	1,395.31	-	801.90	-	-
Over 6 months to 1 year	50.00	4,560.96	-	2,864.12	-	-
Over 1 year to 3 years	200.00	6,636.87	-	15,131.07	-	-
Over 3 years to 5 years	24.78	2,951.62	-	3,486.62	-	-
Over 5 years	-	2,317.29	-	897.39	1,862.01	-
<b>Total</b>	<b>324.78</b>	<b>22,436.93</b>	<b>12.40</b>	<b>25,042.20</b>	<b>1,862.01</b>	<b>1,142.86</b>

Further, the Company had temporarily deployed its excess liquidity aggregating to Rs. 4,501.92 million as at March 31, 2019 in the short term fixed deposit with the bank. Accordingly, the Company is well poised to meet its contractual obligations over all the maturity due dates.

As at 31 March 2018

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter-corporate loan	Loans and Advances	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	109.65	7,774.17	568.38	-	1,699.74
Over One months to 2 months	-	635.25	-	91.10	-	-
Over 2 months up to 3 months	25.00	306.31	-	728.70	-	-
Over 3 months to 6 months	25.00	3,708.37	-	495.71	-	-
Over 6 months to 1 year	50.00	2,190.73	-	468.07	-	-
Over 1 year to 3 years	200.00	8,290.23	-	14,174.82	-	-
Over 3 years to 5 years	124.63	1,127.77	-	9,980.27	-	-
Over 5 years	-	1,763.73	-	2,315.07	4,617.50	-
<b>Total</b>	<b>424.63</b>	<b>18,132.02</b>	<b>7,774.17</b>	<b>28,822.11</b>	<b>4,617.50</b>	<b>1,699.74</b>

\* The Company had taken temporary borrowing from its related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO/ALM activities had realigned its borrowings and assets profile and had ensured a positive ALM position as at March 31, 2018.



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

**50.06 Movements of stage 3 assets:**

The following table sets forth, for the periods indicated, the details of movement of stage 3 assets, stage 3 assets net of stage 3 provision and stage 3 provision.

	2019	2018
i) Stage 3 assets net of stage 3 provision to net advances (%)	0.18%	0.00%
ii) Movement of Stage 3 assets		
a) Opening Balance	483.55	-
b) Additions during the year	86.23	1,146.15
c) Reductions during the year*	483.55	662.60
d) Closing balance	86.23	483.55
iii) Movement of Stage 3 assets net of stage 3 provisions		
a) Opening Balance	-	-
b) Additions during the year	43.60	-
c) Reductions during the year	-	-
d) Closing balance	43.60	-
iv) Movement of stage 3 provisions: (excluding provision on Stage 1/Stage 2)		
a) Opening Balance	483.55	-
b) Additions during the year	42.63	1,146.15
c) Reductions during the year	483.55	662.60
d) Closing balance	42.63	483.55

\* Includes stage 3 assets written off during the year Rs 483.55 million (Previous year: Rs 290.80 million)

Note : The movement of stage 3 assets disclosed for the year ended 31st March 2019 and 31st March 2018 is for principal outstanding only as per extant IRAC norms prescribed by the Reserve Bank of India

**50.07 Details of 'Provisions and Contingencies'**

Breakup of provisions and contingencies shown in the Statement of Profit and loss	2019	2018
i) Provisions for depreciation on Investment	-	-
ii) Provision towards Stage 3 assets	(440.33)	493.29
iii) Provision made towards income tax	670.17	477.90
iv) Provision for Stage 1/Stage 2 assets	77.30	133.62
v) Other Provision and Contingencies		
a) Provision for gratuity	4.49	0.26
b) Provision for compensated absences	1.99	0.12

**50.08 Concentration of Deposits, Advances, Exposures and NPAs**

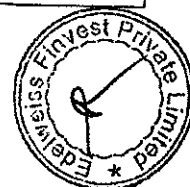
	2019	2018
A) Concentration of Advances		
Total Advances to twenty largest borrowers	15,718.14	17,488.18
% of Advances to twenty largest borrowers to Total Advances	62.77%	60.68%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	15,718.14	17,488.18
% of Exposures to twenty largest borrowers / Customers to Total Advances	62.77%	60.68%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	86.23	483.55
D) Sector-wise NPAs		
Sectors/Particulars	% of NPAs to Total Advances in that sector	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	0.42%	1.80%
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

**50.09 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:**

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

**50.10 Customer Complaints**

	2019	2018
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

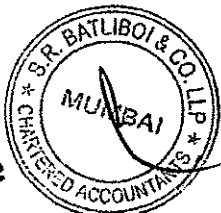
50.11 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

**Liabilities Side:**

Particulars	Amount Outstanding		Amount Overdue	
	2019	2018	2019	2018
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	19,286.03	15,849.23	-	-
(ii) Unsecured	3,150.90	2,282.79	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	324.78	424.63	-	-
d) Inter-corporate loans and borrowing	-	7,761.96	-	-
e) Commercial Paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Inter corporate loan	12.40	12.21	-	-
	-	-	-	-

**Assets side:**

	Amount Outstanding	
	2019	2018
2) Break up of Loans and Advances including bills receivables (other than those included in (3) below)		
a) Secured	22,365.26	28,283.27
b) Unsecured	2,676.94	538.84
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
(i) Financial Lease	-	-
(ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
(i) Loans where assets have been repossessed	-	-
(ii) Other loans	-	-
4) Break up of Investments		
Current Investments (including Securities held for trading):		
a) Quoted:		
(i) Shares: Equity	-	100.00
Preference	-	-
(ii) Debentures and Bonds	1,142.86	101.01
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	1,498.73
(v) Others (Pass through certificates)	-	-



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

50.11 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

4) Break up of Investments (Continued)		Amount Outstanding	
		2019	2018
Long-Term Investments (Net of Provision)			
a) Quoted:			
(i) Shares: Equity		-	-
Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
b) Unquoted:			
(i) Shares: Equity		596.72	593.77
Preference		37.27	25.69
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
- Investments in security receipts of trusts		845.69	3,692.00
- Investments in units of funds		382.33	306.04
- Investments in warrants		-	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above  
As at 31 March 2019

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	1,422.14	1,422.14
2. Other than related parties	21,885.18	1,253.23	23,138.41
<b>TOTAL</b>	<b>21,885.18</b>	<b>2,675.37</b>	<b>24,560.55</b>

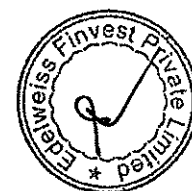
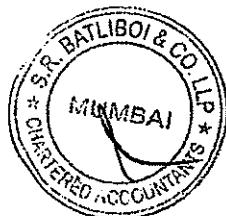
As at 31 March 2018

Particulars	Secured	Amount net of provisions	
		Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	27.07	27.07
(c) Other related parties	-	-	-
2. Other than related parties	27,438.89	511.48	27,950.36
<b>TOTAL</b>	<b>27,438.89</b>	<b>538.54</b>	<b>27,977.43</b>

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	2019	2018	2019	2018
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	880.82	914.82	880.82	914.82
(c) Other related parties	-	-	-	-
2) Other than related parties	2,124.05	5,402.42	2,124.05	5,402.42
<b>TOTAL</b>	<b>3,004.87</b>	<b>6,317.24</b>	<b>3,004.87</b>	<b>6,317.24</b>

\*\* As per Ind AS 24 - Related Party Disclosures



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

50.11 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

**7) Other Information**

Particulars	2019	2018
a) Gross Stage 3 assets		
1) Related parties	-	-
2) Other than related parties	86.23	483.55
b) Stage 3 Assets Net of Provision		
1) Related parties	43.60	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

**Notes:**

- 1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- 2 Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

50.12 Registration obtained from other financial sector regulators - None

50.13 The Company has not restructured any loans and advances during the year ended 31 March 2018 and 31 March 2017.

50.14 Disclosure of Penalties imposed by RBI and other regulators- None

50.15 Overseas Assets - Nil (Previous year - Nil)

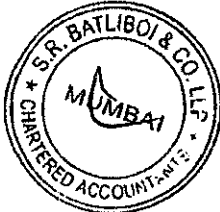
50.16 Details of financing of parent company products - None (Previous year - none)

50.17 Off-Balance sheet SPV sponsored - None (Previous year - none)

50.18 Draw Down from Reserves: (Previous year - Nil)

50.19 Disclosure of Penalties imposed by RBI and other regulators- Nil (Previous year - Nil)

50.20 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil





**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019

(Currency: Indian rupees in million)

**50.21 Details of ratings assigned by credit rating agencies**
**As at 31 March 2019**

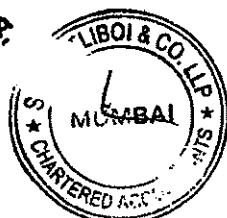
Instrument category	Brickworks	CRISIL	CARE	ICRA
i) Long Term Instruments				
Rating	AA+	AA/Stable	AA	AA
Amount	3,000	12,000	1,500	13,000
ii) Short term instruments				
Rating	-	A1+	-	A1+
Amount	-	10,000	-	12,000
iii) Market linked debentures				
a Short Term		PP- MLD A1+R		PP-MLD [ICRA]A1+
Rating	-	5,000	-	1,500
Amount	-		-	
b Long Term				
Rating	PP-MLD AA+	PP MLD AA	PP MLD-AA	PP-MLD [ICRA]AA
Amount	3,000	29,000	6,893	10,070

**As at 31 March 2018**

Instrument category	Brickworks	CRISIL	ICRA
i) Long Term Instruments			
Rating	AA+	AA/Stable	AA
Amount	3,300	12,000	13,500
ii) Short term instruments			
Rating	-	A1+	A1+
Amount	-	10,000	10,000
iii) Market linked debentures			
a Short Term		PP- MLD A1+R	PP-MLD [ICRA]A1+
Rating	-	5,000	1,500
Amount	-		
b Long Term			
Rating	PP-MLD AA+	PP MLD AA	PP-MLD [ICRA]AA
Amount	3,000	11,500	13,000

**50.22 Details of transaction with non executive directors**

The Company has not undertaken any transaction with it's non-executive directors during the year ended 31 March 2019 (Previous year: Nil).



## Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

### 51 Other disclosure

#### 51.1 Assets and liabilities acquired on account of merger of finance division of Edelweiss Finance and Investments Limited, a fellow subsidiary

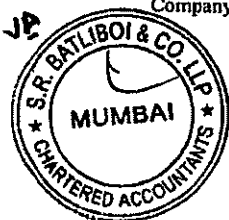
- i) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 and Sections 230 to 232 of the Companies Act 2013 sanctioned by the National Company Law Tribunal, Mumbai Bench vide its order dated 25 July 2017 ("the Order"), Edelweiss Finance & Investments Limited (EFIL), a fellow subsidiary, ("The Demerged Company" or "The Transferor Company"), has demerged the Lending and Investment Business to Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited) ("First Resulting Company" or "EW Finvest"), which is another NBFC engaged in the business of lending and investments, and the Training Centre Business to Edel Land Limited ("Second Resulting Company" or "ELL") which undertakes real estate activities with effect from 1 April 2016 ("the Appointed Date"). The scheme has come into effect from 1 August 2017 ("the Effective Date"). Accordingly, the opening balance sheet of the Company as at 1 April 2017 has been prepared taking into account the effect of the said Order.

ii) In accordance with the Scheme:

On the Scheme becoming effective with effect from the Appointed date, the Company has taken over all the assets aggregating Rs.10,214,424,626 and liabilities aggregating to Rs. 8,737,815,930 as appearing in the books of Transferor Company related to business of lending and investment business at its respective book value as on Appointed Date. Net asset acquired include.

Asset/Liabilities received under the Scheme	Amount in Rs. Million
<b>Assets</b>	
Investments	3,650.54
Deferred Tax	104.93
Loans and Advances	5,801.16
Other Current Assets and Trade Receivables	657.79
<b>Total Assets (A)</b>	<b>10,214.42</b>
<b>Liabilities</b>	
Long Term Borrowings	5,874.52
Provisions	65.78
Trade Payables	17.95
Other current liabilities	1,555.56
Short term borrowings	1,224.00
<b>Total Liabilities (B)</b>	<b>8,737.82</b>
<b>Net assets transferred (A-B)</b>	<b>1,476.61</b>

- iii) The Scheme of arrangement is a tax neutral merger as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 and accordingly, the assets and liabilities as on appointed date were transferred at cost. The Company has issued 8,279,275 equity shares of Rs.10 each at premium of Rs. 168.35 each equity share aggregating to Rs. 1,476,608,696 to Edelweiss Financial Services Limited the 100% shareholder of Edelweiss Finance & Investment Limited in settlement of the purchase consideration for the lending and investment business acquired.
- iv) On account of merger, The Company has received profit after tax of Rs. 286,006,643 from April 1st, 2016 (appointed date) to March 31st, 2017 from Edelweiss Finance & Investments Limited.
- v) The company has cancelled its 466,300, 0.01% Compulsorily convertible non-cumulative preference shares - Series A at par having face value of Rs. 10 each and premium of Rs. 240 each. These shares were held by EFIL and transferred to the Company on account of merger.



**Edelweiss Finvest Private Limited**

Notes to the financial statements for the year ended March 31, 2019  
(Currency: Indian rupees in million)

**51 Other disclosure (continued)****51.2 Open interests equity index futures / equity stock futures have open interests as at 31 March 2019**

Index Name	Maturity grouping	<u>Long Position</u>		<u>Short Position</u>	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	2,549	191,175	-	-
Stock future	< 1 month	1,200	1,054,874	-	-

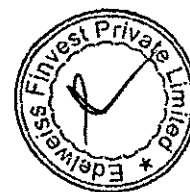
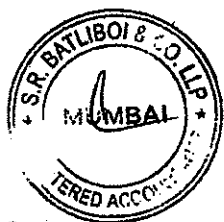
Open interests equity index futures / equity stock futures have open interests as at 31 March 2018

Index Name	Maturity grouping	<u>Long Position</u>		<u>Short Position</u>	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	-	-	519	38,925
Stock future	< 1 month	361	379,975	-	-

Option contracts are outstanding as on balance sheet date

Option Type	31 March 2019		31 March 2018	
	Premium paid (Net of provision made)	Premium received (Net of provision made)	Premium paid (Net of provision made)	Premium received (Net of provision made)
Equity Index	379.35	1.33	0.03	10.56

- 51.3** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.



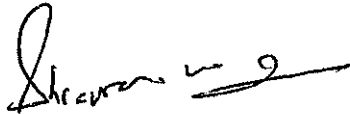
# Edelweiss Finvest Private Limited

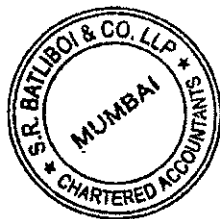
Notes to the financial statements (continued)  
(Currency: Indian rupees in million)

52 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

  
per Shrawan Jalan  
Partner  
Membership No: 102102



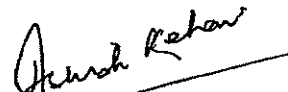
Mumbai May 13, 2019

For and on behalf of the Board of Directors

  
Amit Dhawan  
Managing Director & CEO  
DIN: 02800746

  
Sheeta Gandhi  
Chief Financial Officer

Mumbai May 13, 2019

  
Ashish Kehair  
Director  
DIN: 07789972

  
Niket Joshi  
Company Secretary



## **Edelweiss Finvest Private Limited**

**Corporate Identity Number: U65993MH2006PTC164007**

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

# Edelweiss Finvest Private Limited

## 14<sup>th</sup> Annual Report 2019-20

### **Board of Directors**

Mr. Amit Dhawan	-	Managing Director & C.E.O
Mr. Ashish Kehair	-	Non-executive Director
Ms. Puja D'Souza	-	Non-Executive Director
Mr. Bharat Bakshi	-	Independent Director
Mr. Sunil Phatarphekar	-	Independent Director (appointed w.e.f April 1, 2020)

### **Chief Financial Officer**

Mr. Ritesh Jain (resigned w.e.f May 4, 2020)

### **Company Secretary Officer**

Mr. Nishant Salvi (resigned w.e.f March 31, 2020)

### **Statutory Auditors**

M/s. S. R. Batliboi & Co. LLP

### **Registered Office**

Tower 3, Wing 'B',  
Kohinoor City Mall, Kiroli Road,  
Kurla (West), Mumbai 400070  
Corporate Identity No.:  
U65993MH2006PTC164007  
Tel: +91 22 4272 2200  
Email: [egia.cs@edelweissfin.com](mailto:egia.cs@edelweissfin.com)

### **Debenture Trustee**

**SBICap Trustee Company Limited**  
6th Floor, Apeejay House, 3,  
Dinshaw Wachha Road,  
Churchgate, Mumbai 400 020

### **Registrar and Share Transfer Agent**

**Link Intime India Private Limited**  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083.

**KFin Technologies Private Limited**  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032

## BOARD'S REPORT

To the Members of **Edelweiss Finvest Private Limited**,

The Directors hereby present their 14<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2020:

### Financial Summary/Highlights

(Amount Rs. in million)

Particulars	2019-2020	2018-2019
<b>Total income</b>	<b>3,229.79</b>	<b>5,257.79</b>
Total Expenses	2,912.08	2,714.73
<b>Profit Before Tax</b>	<b>317.71</b>	<b>2,543.06</b>
Tax Expenses (including Deferred Tax and Fringe Benefit Tax, if any)	69.33	835.04
<b>Profit for the year</b>	<b>248.38</b>	<b>1,708.02</b>
<b>Other Comprehensive Income</b>	<b>0.16</b>	<b>(1.23)</b>
Total Comprehensive Income	248.54	1,706.79
<b>Opening Balance</b>	<b>4,873.17</b>	<b>3,516.52</b>
<b>Profit available for appropriation</b>	<b>5,121.71</b>	<b>5,223.31</b>
<b>Appropriations</b>	-	-
-Income Tax Impact on ESOP	-	(8.54)
-ESOPS charged during the period	-	-
-Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(86.98)	(341.60)
-Transfer to Debenture Redemption Reserves	-	-
- Deemed distribution during the year	-	-
<b>Surplus carried to Balance Sheet</b>	<b>5,034.73</b>	<b>4,873.17</b>

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

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report which is annexed as Annexure I to this Report and is in accordance with the provisions of the RBI Master Direction No. DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 as amended i.e. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking Company (Reserve Bank) Directions, 2016.

The financial statements of the Company for the financial year ended March 31, 2020, have been prepared in accordance with the Indian Accounting Standards (Ind AS).

### **Change in Shareholding**

Effective May 4, 2020, Edelweiss Financial Services Limited (EFSL) acquired 25,04,66,000 equity shares of Rs. 10 each representing 75.16% from its subsidiaries. Thus, the Company ceased to be a subsidiary of Ecap Equities Limited and became the direct subsidiary of EFSL.

### **Scheme of Absorption**

The Board at its Meeting held on February 12, 2020, approved Scheme of Merger by Absorption of the Company with Edel Finance Company Limited (EFCL), a wholly owned subsidiary of Edelweiss Financial Services Limited (EFSL). The Company has filed the necessary application(s) with the National Company Law Tribunal in this regard.

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

The particulars of the loans given / Investments made by the Company are provided in the financial statements. Further, during the year under review, the Company has not given any guarantee / provided security.

### **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 the Accounting Standards have been reported in the Notes to the financial statement.

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

### **Directors and Key Managerial Personnel**

#### **Independent Directors**

During the year under review, Mr. Shrikant Subbarayan, Mr. Kunnasagaran Chinniah and Mr. Sanjay Shah resigned with effect from August 12, 2019 , December 12, 2019 and January 14, 2020 respectively.

The Board places on record its sincere appreciation of the services rendered by them during their tenure as Directors of the Company.

Mr. Sunil Phatarphekar was appointed as an Independent Director on the Board of Directors of the Company with effect from April 1, 2020.



In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section.

### **Retirement by rotation**

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

### **Key Managerial Personnel**

Ms. Sheetal Desai resigned as Chief Financial Officer of the Company with effect from June 30, 2019 and Mr. Niket Joshi resigned as Company Secretary with effect from July 10, 2019.

During the year under review, Mr. Ritesh Jain was appointed as the Chief Financial Officer with effect from December 27, 2019. Mr. Jain resigned with effect from May 4, 2020.

Mr. Nishant Salvi was appointed as the Company Secretary with effect from January 6, 2020. Mr. Salvi resigned with effect from March 31, 2020.

### **Number of Board Meetings held**

During the year ended March 31, 2020 the Board met 6 times.

### **Remuneration Policy**

The Board of Directors of the Company has framed a Remuneration Policy pursuant to Section 178 of the Companies Act, 2013. The Policy is annexed as an Annexure III to this Report.

### **Evaluation of the performance of the Board**

The Board has framed an Evaluation Policy ("the Policy") for evaluating the performance of the Board, Executive Directors, Independent Directors, Non-Executive Directors and its Committees. Based on the Policy, the performance was evaluated for the financial year ended March 31, 2020. A meeting of the Independent Directors was held during the year under review.

The Policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc

### **Internal Financial Controls**

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

### **Finance**

The Company continues to borrow funds in the form of Non-convertible Debentures offered on Private Placement Basis.

### **Trustee details**

SBICap Trustee Company Limited act as the Debenture Trustee for the Non-Convertible Debentures issued by the Company on Placement basis.

### **Audit Committee**

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), the Board of Directors of the Company has constituted the Audit Committee.

The Audit Committee of the Board of Directors of the Company comprises of the following Directors as its members:-

Mr. Bharat Bakshi	- Independent Director
Mr. Sunil Phatarphekar	- Independent Director
Mr. Ashish Kehair	- Director.

During the year ended March 31, 2020 the Committee met 5 times.

### **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee of the Board of Directors of the Company comprises of the following Directors:-

Mr. Bharat Bakshi	- Independent Director
Mr. Sunil Phatarphekar	- Independent Director
Mr. Ashish Kehair	- Director.

The constitution and terms of reference of the Committee are in compliance with the requirements of Section 178 of the Companies Act, 2013.

During the year ended March 31, 2020 the Committee met 3 times.

### **Corporate Social Responsibility Committee**

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee), presently comprising the following Directors as its members:

Mr. Amit Dhawan	-	Managing Director & CEO
Mr. Bharat Bakshi	-	Independent Director
Mr. Ashish Kehair	-	Director.

The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act. The CSR Policy of the Company is uploaded on the website [www.edelweissinvest.edelweissfin.com](http://www.edelweissinvest.edelweissfin.com). Further details in this regard are provided in the Annexure IV to this Report.

During the year ended March 31, 2020 the Committee met once.

### **Auditors**

The Members of the Company had appointed M/s. S. R. Batliboi & Co. LLP, (SRB) as the Auditors of the Company till the conclusion of 17<sup>th</sup> AGM of the Company to be held in the year 2023.

The Report of the Auditors on the Financial Statements is unqualified.

### **Secretarial Audit**

The Board had appointed M/s. Sahani & Kothari Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year ended March 31, 2020. The Report of the Secretarial Auditor is provided as an Annexure V to this Report.

The Report of the Secretarial Auditors is unqualified.

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

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

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

### **A. Conservation of Energy**

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

### **B. Technology Absorption**

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

### **C. Foreign Exchange Earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review. (Previous year: Nil).

### **Other Disclosures**

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

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

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

### **Whistle Blower Policy/Vigil Mechanism**

The Company has established the Vigil Mechanism ('Whistle-blower Mechanism') which envisages reporting by directors and employees about their genuine concerns or grievances. The policy is uploaded on [www.edelweissfinvest.edelweissfin.com](http://www.edelweissfinvest.edelweissfin.com). The vigil mechanism is overseen by the Audit Committee.

### **Particulars of Employees**

The information/particulars of Employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are provided in Annexure - VII to this Report.

### **Risk Management**

The Company has in place the Risk Management Policy, which was implemented during the year under review.

### **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to

give a true and fair view of the state of affairs of the Company as at March 31, 2020 and profit of the Company for the financial year ended on that date;

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

### **Acknowledgments**

The Board of Directors wishes to place on record their appreciation for the continued support and co-operation extended by ||||| government authorities, banks, and other stakeholders. 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 Finvest Private Limited**

**-Sd-**

**Amit Dhawan**  
**Managing Director & CEO**  
**DIN :02800746**

**-Sd-**

**Ashish Kehair**  
**Non-executive Director**  
**DIN : 07789972**

**July 3 , 2020**

## EDELWEISS FINVEST PRIVATE LIMITED (EFPL) FY2019-20

### Management Discussion & Analysis Report

#### MACRO ECONOMY: REVIEW AND OUTLOOK

From 'moment of excitement' (2000-10) – as John Keynes would have put it - to lingering 'uncertainty' (2011-19), Emerging Markets (EM) have seen a remarkable reversal of fortunes and their growth models changed from being export-led to domestic demand-led. Fed's repeated attempts at tightening (2013, 2015, 2018) were met with EM turmoil, India being no exception. However, when Fed started its Balance sheet expansion from October 2019, global economy was eyeing at a modest uptick, only to face a speed breaker in the form of COVID-19 Pandemic. However, this too has a silver lining – COVID-19 has resulted in a unified monetary and fiscal expansion across developed economies.

Against this backdrop, how is India stacked up? Indian economy was stabilizing post the economic slowdown owing to large liquidity injections from the RBI. Systemic liquidity has been running in surplus for last ~12 months. On the reforms front, India made considerable progress with corporate tax rates reduction.

On the monetary policy front, RBI has been accommodative by cutting policy rates by 250 bps since April 2019. It indicated in its announcement on May 22, 2020 that post the Pandemic, real GDP is likely to contract in FY21 and hinted that if inflation progresses as per expectation, more room for rate cuts will open up.

On the fiscal front, government maintained fiscal prudence in FY20 though the recent stimulus package would cause a dent. This has resulted in India's macro stability being significantly anchored. From being a current account deficit country, India is on the path of having a current account surplus.

Now, with the COVID-19 crisis, operating conditions are challenging in the near term with the FY20 GDP growth at 4.2% and real GDP is likely to slip into negative territory in FY21. Bringing back the economy on a growth path would be arduous. However, such crises also present opportunities. We see two big opportunities for India. First, the sharp fall in oil prices. Second, the narrative today globally

is to diversify facilities from China. In this context, given India's large size it should benefit from the same and it is important we capitalize on these opportunities.

#### Overall Outlook

While near-term outlook post lockdown is clouded with challenges, we believe that the medium term looks brighter. As developed markets continue with fiscal and monetary expansion, EMs will benefit significantly on the exports front. India could potentially be a big winner of these. On the flip side, however, a prolonged COVID-19 crisis across the world has the potential to play the spoil sport.

Therefore, it is expected that while economic activity will remain muted in FY21, it should start to gain traction gradually afterwards.

#### COVID-19 and Macro-Economy

- The macroeconomic and financial conditions are austere
- The global economy is inexorably headed into recession
- The combined impact of demand compression and supply disruption will depress economic activity in H1FY21
- Given all the uncertainties, GDP growth in 2020-21 is estimated to remain in negative territory, with some pick-up in growth impulses from H2FY21 onwards

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

##### Commercial Credit Markets

##### Banking Industry

FY20 has been a tough year for banks. Coming out of softer 9MFY20, the impact of COVID-19 did not help the cause either. The system credit growth fell sub-7% levels for FY20 given the muted fourth quarter, which is usually the strongest quarter.



FY20 also saw volatile asset quality in banks with incremental stress remaining higher and witnessed the bail out of a private sector bank. Going forward we see our prognosis of systemic credit pick up and asset quality rather bleak, and we believe that long-term costs of the current economic dislocation remain a known unknown.

### **NBFC Industry**

The past few months have been volatile for NBFCs with a couple of events combined with market chaos triggering fears of a liquidity crisis. However, most of these fears have remained unfounded as most players were well-capitalized to handle any short-term market dislocation. However, funding did become more expensive in this backdrop, especially for players dependent on debt market with relatively shorter duration. As a result, risk appetite waned impacting growth of the NBFC sector as they focused more on liquidity management rather than asset growth.

The recovery following that has been gradual, aided by regulator's support, and the situation is improving, albeit very slowly. The growing relevance of NBFCs also highlighted the emphasis of risk management in the sector and most NBFCs emerged stronger with better balance sheet strength and no perceptible worsening of asset quality.

Going forward, while the segment is not entirely out of woods, comfortable capital position, control on asset quality and strengthened liquidity management practices provide comfort. Within NBFCs, well run business models with stronger balance sheets, prudent risk management practices and limited vulnerability to earnings will emerge stronger.

### **Retail Finance**

India has one of the lowest credit penetration among larger economies and retail credit presents a large growth opportunity driven by long term trends in democratisation of credit, rising household incomes and increased consumption. However, current challenges turn consumption driven story on its head. We expect growth will remain challenging with players also tightening risk metrics to reflect the ground realities.

Retail focus areas for the banks and NBFCs/HFCs have been mortgages and Mudra Finance or MSME finance. While we firmly believe in longer term potential for NBFCs to scale up these portfolios, near to medium term will be challenging before they embark upon growth trajectory again.

## **EDELWEISS FINVEST PRIVATE LIMITED (EFPL) OVERVIEW**

We are part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around four **broad business groups**:

- **Credit business** including Retail Credit and Corporate Credit,
- **Advisory business** including
  - **Edelweiss Global Investment Advisors (EGIA)**, which includes Wealth Management, Asset Management and Capital Markets, and,
- **Asset Reconstruction business**
- **Insurance** including Life and General Insurance.

Today, EFPL is a Rs.23,615 million asset base company with presence in significant areas of finance businesses.

## **FINANCIAL PERFORMANCE HIGHLIGHTS**

### **FINANCIAL HIGHLIGHTS FOR FY20**

A summary of our FY20 financial highlights together with FY19 financials as per Ind AS is as under:

- **Total Revenue Rs. 3,230 million** (Rs.5,258 million for FY19), down 39%
- **Profit after Tax Rs.248 million** (Rs.1,708 million for FY19), down 85%
- **Networth Rs.10,375 million** (Rs.10,352 million at the end of FY19)

## **INCOME**

### **Fund Based Revenue**

Our fund-based businesses earned revenue of Rs. 3,185 million for FY20 (Rs.5,138 million for FY19), down 38%. Within this, Interest income was Rs.2,089 million (Rs.4,703 million for FY19), down 56%.



### Agency Fee & Commission

Our agency fee & commission revenue was Rs. 41 million for the year, compared to Rs.119 million in FY19, down 65%.

### EXPENSES

Our total costs for FY20 was Rs.2,912 million (Rs.2,715 million in FY19), up 7%. Within this, our employee expense for FY20 was Rs.99 million (Rs.113 million in FY19), down 12%. The interest expense for FY20 was Rs.1,773 million (Rs.2,264 million in FY19), down 22% on account of higher average borrowings during FY19.

### PROFIT AFTER TAX

Our Profit after Tax for FY20 was Rs.248 million compared to Rs.1,708 million for FY19, down 85%.

Our Profit before Tax margin for FY20 was 10% and Profit after Tax margin was 8%, compared to 48% and 32% respectively for FY19

### BUSINESS PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY19 are as under:

### CREDIT BUSINESS

As on 31<sup>st</sup> March'20, outstanding loan against securities in EFPL stands at INR 5143mn. Vis-a-vis INR 5430mn. on 31<sup>st</sup> March'19

As part of restructuring at group, we have shifted our loan against securities business line from EFPL thereby justifying reduction in EFPL loan against securities book by INR 287mn

Credit business of EFPL broadly offers secured wholesale loans to the borrowers against collateral of pledge of securities, real estate, and ESOP and Margin funding etc. Total credit book of EFPL stands at Rs.9,586 million at the end of this year compared to Rs.25,042 million at the end of previous year, a degrowth of 62%. The composition of Credit Book as on March 31, 2020 is as under:

(Rs. In million)

Product/Segment	Book size as on March	Book size as on March
-----------------	-----------------------	-----------------------

	31, 2020	31, 2019
Structured Collateralised Credit and Corporate Loans	2,225	9,615
Real Estate Loans	0	9,875
Loan against Securities	5,143	5,430
Others	2218	122
<b>Total Loan Book</b>	<b>9.586</b>	<b>25,042</b>

EFPL had scaled up its loan book portfolio during first half of FY19 by leveraging Edelweiss relationships across corporates and individual clients. However, due to liquidity squeeze in the second half following the default by a AAA rated company, we prudently focused on risk management rather than chasing asset growth. As a result, our credit book at the end of FY19 was slightly lower than that at the beginning of the year.

Further, as a result of strict adherence to conservative credit appraisal, constant collateral monitoring and best-in-class risk management, EFPL has managed to control its asset quality satisfactorily. EFPL's Gross NPLs were at 8.4% and Net NPLs at 6.6% as on 31, March 2020 compared to Gross NPLs 0.44% and Net NPLs 0.23% as on 31, March 2019. Our Provision Coverage Ratio is 23% as at the end of this year as we made a prudent provision for our NPLs. We continue to focus on risk management and achieving growth in the book without diluting risk standards.

### BALANCE SHEET MANAGEMENT

For any NBFC like ours, its capital forms the most important resource, besides the human capital. From its earliest days, EFPL has recognised this and has always focused its energies in creating a strong balance sheet. A strong capital base provides us the freedom and ability to deploy capital for scaling up our business.

We continue to diversify our sources of borrowings as well as add liabilities commensurate with our assets profile. These instruments provide us with medium to long term liabilities to match our asset

profile. Our sanctioned bank lines were Rs.500 million at the end of March 31, 2020.

### Balance Sheet Gearing

EFPL has a total net worth of Rs. 10,375 million as at the end of FY20 compared to Rs.10,352 million at the end of FY19. Amount of debt on the Balance Sheet as on March 31, 2020 was Rs.13,673 million (Rs.22,774 million as on March 31, 2019), with a Gearing Ratio of 1.32 times. The Gearing ratio was 2.20 times as at the end of FY19. While the average borrowings were higher during FY19, due to challenging environment in the second half of FY19 we reduced our borrowings in line with the credit book. The gross Balance Sheet size at the end of FY20 is Rs.24,725 million.

### Capital Adequacy Ratio

As per the Non Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs—ND—SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio (“CRAR”) of 15%. EFPL’s CRAR as on March 31, 2020 was 19.85% with a Tier I Ratio of 19.05% compared to total CRAR of 28.44% with a Tier I Ratio of 26.64% as on March 31, 2019.

## OPPORTUNITIES

Despite the current economic downturn being exacerbated by the Pandemic, the long term growth story of India and the trend of compounding growth remains in place. At the same time, while FY21 will be a year of resilience, demand for credit in India will continue to offer immense opportunities in future for firms like us as under:

- The financialisation of Indian household savings, low credit penetration, democratization of credit and demand for consumption are presenting newer opportunities, notwithstanding the current dip, in the areas like retail credit which is our focus area.
- The monsoon has already set in on time this year and is expected to be a normal one. Agriculture production is likely to continue to grow in FY21 fuelling consumption which augurs well for the overall economy.

The expected return of growth in the Indian economy in FY22 would continue to offer opportunities for us to grow.

## THREATS

While the opportunities landscape is promising in the medium term, following threats could dampen the growth of NBFCs in India:

- Slower than expected recovery of macro-economy, domestically as well as globally or a prolonged COVID-19 Pandemic can impact the growth.
- While the oil prices currently are benign, any Increase in oil prices on the back of any geo-political conflicts or delay in revival of capex cycle can also impede growth.
- If the current tight liquidity situation does not normalize soon, it could affect the natural growth of the NBFC sector.

## OUTLOOK & STRATEGY

With the GDP growth sliding down to 4.2% for FY20 and real GDP likely to fall into negative territory in FY21, the outlook in short term is uncertain. However, our belief in the long-term India story continues to remain the same and growth opportunities will stage a comeback sooner than later.

Despite the stimulus packages implemented by the Government to alleviate the impact of the Pandemic across various segments, the outlook for inflation and interest rates remains positive. The government will now go into a fiscal expansionary mode and with the regulator also pushing growth through rate cuts, we expect growth to come back in FY22 in a calibrated manner.

The new normal post COVID-19 will also need a significant re-thinking in the way NBFCs do business. There will be an enhanced focus on equity capital, liquidity management and resources side of the balance sheet. The industry may continue to face challenges in resources mobilization with Mutual Funds not willing to lend beyond the top few NBFCs and banks adopting a risk averse approach. Given this scenario, we should expect a muted FY21 with normalcy returning gradually in FY22.

As we look ahead for EFPL, while FY20 was devoted to strengthening the balance sheet, liquidity management and risk management, we see lot of promise and opportunity in the medium term. At

Edelweiss, we have done fairly well in managing risks till now while balancing it with the growth vector, and we should be able to combine scale and efficiency going forward.

We will continue with the strategy to hold excess liquidity and equity capital. We will also use technology to be a key business driver to help us deliver superior customer experience and rationalise costs.

FY21 will be the year of resilience, as the economy recovers. We will continue to focus on creating value for stakeholders. Our customer base has kept faith with us. Our talent pool is unmatched and closely aligned with the interests of our stakeholders. As in the past, Edelweiss will emerge stronger once the current crisis blows away.

## ENTERPRISE GROUPS

The business of EFPL is controlled and supported by a core of Enterprise Groups that provide consistent quality and rigour to key process functions. While EFPL itself is responsible and equipped with management of enterprise functions, it also draws upon the support from and expertise available at the Group level. Various steps taken by us to improve efficacy of Enterprise functions are detailed below.

## GOVERNANCE

At Edelweiss Group, we believe in the philosophy that well governed organisations tend to last longer and that governance is the fulcrum around which entire financial sector thrives. Hence, Governance is at the heart of everything we do and it transcends beyond compliance extending to ethics and values as well.

Governance to us means **Trust** covering Ethics & Integrity, **Legitimacy** encompassing Transparency, Authenticity and Fairness, **Accountability** including Decision making, responsiveness, **Competence** highlighting Simplicity, and above all **Respect** for letter and spirit of law.

Our Board attaches highest importance to Governance and thus sets tone of culture flowing from top throughout the fabric of our organisation. Board has set a very high benchmark on the standards to be adhered to. Board of EFPL sets higher standards on ethics, integrity, transparency

and fairness leading us to build good framework for conduct, behaviour and process oversights at organization level.

In order to promote good governance culture, we have self-defined rules for good behaviour and conduct at individual as well as at entity level. Sound Frameworks have been put in place on issues of Conflict of Interest, Insider Trading, dealing with sensitive information etc. Last 18 months have witnessed numerous challenges in the eco system as discussed elsewhere in this report. Our Governance standards have ensured continuity of service to customers besides taking care of safety and protection of all our stakeholders including employees, channel partners/business partners etc. Learning from these events that have unfolded in the environment, our focus on governance has become even sharper. We are continuously recalibrating some of practices on the process of decision making to facilitate smooth functioning while working from home through use of technology with good governance controls ensuring that compliance standards are met even in challenging circumstances.

## RISK MANAGEMENT

Risk management is integral part of business at Edelweiss. The good risk management practices of the Group have facilitated navigating through environmentally turbulent times. Respect for Risk is central to every business decision at Edelweiss. Simple questions are to be answered before every decision, i.e., "**Is it worth it?**" and "**Can we afford it?**". This principle-based approach has stood well in protecting the organisation from vagaries of external world.

While we have been managing various risks, a need for holistic approach to risk management led us to embrace the **Enterprise Risk Management (ERM)** framework sometime back at the Group level. This framework has helped us strategically benchmark our practices across different business lines to the best in class levels. We have also put in place an in-house "**Eleven-risk framework**" to formalize the process of Assess, Avoid, Manage and Mitigate risks across business verticals in a continuous manner.

The risk governance structure at Edelweiss Group includes Board Risk Committee, Global Risk

Committee, Enterprise Risk Management (ERM) Council, Corporate Risk & Assurance, Investment Committees, Credit Committees & Business Risk Groups. While all the Group entities follow and implement the central philosophy of Risk Management, following the needs of our entity, the Business Risk Group within EFPL has been further strengthened.

Risk Culture is of paramount importance to Edelweiss Group. We have taken multiple initiatives to further improve and strengthen the Risk Culture through the organisation. Appropriate risk behaviour is recognized and applauded through specific reward and recognition programs.

Recently, the whole world has faced a tail risk event of COVID-19 Pandemic. Coupled with national lockdown, this event necessitated unique approaches to mitigate different types of risk. Our advance preparation along with technology enablement in utmost agility ensured almost all our critical staff could work from home seamlessly for business continuity and serving customer deliverables.

In the short term, we are focused towards fighting the battle against COVID-19 and work is happening on different fronts for ensuring that we adapt to the New Normal going forward as expeditiously as possible.

We have the business risk team within our company which ensures implementation of risk philosophy and practices of Edelweiss Group at business level. Our risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed.

### **Key Risks**

EFPL deals in multiple asset classes and client segments and is thus exposed to various risks that can be broadly classified as credit risk, market risk, operational risk and fraud risk.

#### **Credit Risk**

The credit risk framework of EFPL ensures prior and periodic comprehensive assessment of every client, counterparty and collateral. Exposure limits are sanctioned to counterparties based on their credit worthiness. Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits. Careful selection of quality and quantum of collateral is key for a client

limit. Effective credit risk management has enabled us to steer through the current environmental stress conditions without any major impact.

#### **Market Risk**

EFPL faces the usual market risks on the liabilities as well as assets side. In order to monitor such market risk, a comprehensive set of reports and limits has been put in place that track positions, value at risk and duration of assets. The risk framework ensures that the risks are monitored and necessary timely action is taken for every single instance of breach, in case they occur.

Additionally, the asset liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also pro-actively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

#### **Operational Risk**

Operational risk framework of EFPL is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we constantly review all critical processes to proactively identify weak controls and strengthen the same.

All of the above will also help us in ensuring our compliance with Companies Act 2013 requirement of “adequate internal financial controls system and operating effectiveness of such controls”.

## **INTERNAL CONTROL POLICIES AND THEIR ADEQUACY**

Edelweiss Group has institutionalised a strong compliance culture across all the business entities recognising that transparency and trust amongst all its stakeholders can be achieved only through this. We believe Compliance is the cornerstone of good corporate citizenship.

The internal controls of Edelweiss are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to ensure assurance

with regard to maintaining proper accounting controls, substantiation of financial statement and adherence to IND AS requirements, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act 2013.

### Internal Audit

Internal Auditors at EFPL follow Standards on Internal Audit along with guidelines issued by regulators and ensures compliance with section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, as amended and notified from time to time. The Internal Audit function operates under the supervision of the Audit Committee of the Board.

The Internal audits are carried out by EFPL team supported by external professionals who provide independent view and assurance by assessing the adequacy and effectiveness of internal control, compliance to internal and external guidelines, and risk management practices across the company.

## HUMAN RESOURCES

Edelweiss's biggest strength has always been its people. They are always at the core of all designs, initiatives and programs in creating better experience through their life cycle of hiring, engagement, development.

Edelweiss Group is a cross-cultural mosaic and our strength lies in our diversity everywhere, within teams and across the organisation. Our diversity makes us stronger by bringing in fresh ideas, perspectives, experiences and fostering a truly collaborative workplace. The sense of ownership each one of us has displayed over the years is a testament to the culture of entrepreneurship we have tried to foster in Edelweiss. We share the Edelweiss group HR philosophy.

Developments on HR front in FY20 are summarised below:

- We ended FY20 with a lower headcount of 52, down from 72 as of March 31, 2019 to

control costs in the challenging business environment of FY20.

- As growth comes back gradually in the New Normal of post COVID-19 scenario, we will be in a position to meet the challenges of increasing scale and complexity of our business as well as future business growth.

A significant component of our value based culture is our commitment to acknowledge and appreciate efforts of our employees through recognition programs that honor exemplary risk management, collaboration, customer centricity, people development, technology and innovation.

Taking care of our people with a framework that is fair, collaborative, compliant and responsive, Edelweiss represents a winning combination of people, opportunities and development.

### People Practices during COVID-19 Pandemic

At the start of 2020, COVID-19 Pandemic came with specific challenges and a New Normal in the way of working. Our advanced planning and unique approaches helped us to address it promptly.

Employee safety being of utmost importance in this crisis, almost all critical staff were enabled to work from home with the help of technology. It further enabled employees to maintain their productivity to support business continuity, service internal and external stakeholders and customers.

Edelweiss culture, which is best described by the way we function - a certain sense of unity in all the diversity. It shone brightly during this crisis with demonstration of high levels of adaptability, resilience, ownership and commitment to serve the need of customers.

## TECHNOLOGY

Building on the foundation laid by the platform thinking approach, Edelweiss Group has advanced its digital transformation journey by:

- adopting the cloud for high availability, scalability and resiliency
- redesigning the network topology to enable secure access of both on-premises and cloud applications from anywhere

- embracing an Application Program Interface (API) first approach for secure exchange of data both within and outside Edelweiss
- modernizing the workplace by deploying an integrated collaboration suite

All these initiatives have actually turned out to be a blessing in disguise in the Covid-19 Lockdown situation because almost 100% of our critical employees are enabled to work from home. We at EFPL share the IT Infrastructure, practices and policies of Edelweiss Group.

### **Information Security**

Emerging technologies and digitalization bring along new challenges and exposes organizations to new risks as data no longer resides within the traditional network boundaries. Cyber risk landscape is changing fast and attacks are becoming more frequent, severe and systemic. To safeguard ourselves in these changing times, Edelweiss Group has implemented multi-layered security solutions across all layers, viz., data, application, endpoint and network, with a special focus on cloud security which we at EFPL share.

## **CUSTOMER EXPERIENCE**

At Edelweiss, customers are at the heart of everything we do and Customer Experience (CX) is not just restricted to service delivery but regarded as a key pillar of business success.

We have evolved our CX framework across Edelweiss from a problem-solving based approach to a more proactive stance, by aligning efforts across business units to a shared set of values. We call this the ASSURED framework which is now an integral part of our CX strategy across Edelweiss. Another key initiative this year has been the implementation of digitisation of feedback strategy for the Group. This has been done by mapping the customer journeys across businesses and identifying the key, impactful touchpoints for the customer. We have adopted the same strategy in our company too.

.....

### **Cautionary Statement**

*Statements made in this Annual Report may contain certain forward looking statements, which are tentative, based on various assumptions on the Edelweiss Group's and EFIL's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and internationally, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The discussion relating to financial performance, balance sheet, asset books of the Company and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding. Numbers have been re-casted, wherever required. Prior period figures have been regrouped/reclassified wherever necessary. FY19 and FY20 numbers are as per IndAS and rest all are as per IGAAP. All information in this discussion has been prepared solely by the company and has not been independently verified by anyone else.*

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**Annexure - III****Remuneration Policy****Objective**

The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees.

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 objective of this Policy is to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance of 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 are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for stock options.
- The Non-executive Directors (other than promoter Directors) shall be eligible for stock options.

**Remuneration of the Managing Director & Executive Directors**

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('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 Executive Directors (other than the promoter Directors) shall be eligible for stock options.

#### **Remuneration of the KMP (other than Executive Directors) and Senior level employees**

- The key components of remuneration package of the KMP (other than Executive Directors) 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.

#### **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.

**For and on behalf of the Board of Directors**  
**Edelweiss Finvest Private Limited**

**-Sd-**

**-Sd-**

**Amit Dhawan**

**Ashish Kehair**

**Managing Director & CEO**  
**DIN: 02800746**

**Non-executive Director**  
**DIN: 07789972**

**July 3, 2020**

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

2. The Composition of the CSR Committee is as under:-

Mr. Amit Dhawan	- Managing Director & CEO
Mr. Bharat Bakshi	- Independent Director
Mr. Ashish Kehair	- Director

3. Average net profit of the Company for last three financial years : Rs. 1,688 million
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 33.76 million
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: Rs. 33.76 million
  - (b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(Amount Rs. in million)

1	2	3	4	5	6		7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
			(1) Local area or other		Sub – heads:			
			(2) Specify the State and district where projects or programs was undertaken		(1) Direct expenditure on projects or programs	(2) Overheads:		
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company is subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 308.14 million (Previous year: Rs. 226.09 million) (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended March 31, 2020, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2020.

**7. A responsibility statement of the CSR Committee -**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board of Directors**  
**Edelweiss Finvest Private Limited**

**-Sd-**

**Amit Dhawan**  
**Managing Director & CEO**  
**DIN: 02800746**

**-Sd-**

**Ashish Kehair**  
**Non-executive Director (Chairman of the Meeting of the CSR Committee)**  
**DIN: 07789972**

**July 3, 2020**

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Edelweiss Finvest Private Limited**  
Tower 3, Wing B, Kohinoor City Mall,  
Kohinoor City, Kirod Road, Kurla West,  
Mumbai - 400070.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Finvest Private Limited** (CIN: U65993MH2006PTC164007) and having its registered office at Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kirod Road, Kurla West, Mumbai - 400070 (hereinafter called the “Company”) for the Financial Year ended on March 31, 2020 (the “audit period”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the “Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings<sup>1</sup>;

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<sup>1</sup> Not applicable to the Company during the audit period



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011<sup>2</sup>;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009<sup>3</sup>;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014<sup>4</sup>;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009<sup>5</sup>;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998<sup>6</sup>; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures of the Company issued by the Company on a Private Placement basis and listed on the Whole Sale Debt Segment of BSE Limited (the “Stock Exchange”).
- (vi) The Reserve Bank of India Act, 1934 and the Circular(s), Direction(s), Notification(s) and Regulation(s) issued by the Reserve Bank of India as applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking company, being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standard issued by The Institute of Company Secretaries of India related to meetings and minutes.

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<sup>2</sup> Not applicable to the Company during the audit period

<sup>3</sup> Not applicable to the Company during the audit period

<sup>4</sup> Not applicable to the Company during the audit period

<sup>5</sup> Not applicable to the Company during the audit period

<sup>6</sup> Not applicable to the Company during the audit period



During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and in respect of the laws specifically applicable to the Company based on its sector/industry, in so far as registration, submission of various returns/information for other particulars to be filed with Reserve Bank of India.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Resolutions of the Board of Directors and its Committees are approved on the basis of majority and are duly recorded in the respective minutes. There were no dissenting views by any member of the Board of Directors during the Audit Period.

**We further report that** there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines and standards.

**We further report that** during the audit period:

- 1) the Company has obtained the approval of the members of the Company under sections 42 & 71, and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on March 9, 2020 for issue of Non-Convertible Debentures on a Private Placement Basis for an amount aggregating Rs. 5,000 Crores in one or more tranches;
- 2) the Company has obtained the approval of members under section 186, and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on March 9, 2020 to give loans, provide guarantee or security and to acquire shares for an amount aggregating Rs. 7,500 Crores; and
- 3) the Company has obtained the approval of the members of the Company under Sections 13, 14, 18 and all other applicable provisions, if any, of the Act by way of a Special Resolution passed at the Extra-Ordinary General Meeting held on March 9, 2020 for conversion of the Company from Private Limited Company to Public Limited Company.



This report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this report.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

*Company Secretaries*

SAHANI

KARAN

SUDHIR

Digitally signed by  
SAHANI KARAN SUDHIR  
Date: 2020.07.03 20:37:29  
+05'30'

**Karan S. Sahani**

*Partner*

**Place: Mumbai**

**Date : July 3, 2020**

M. No.: ACS 40638 C.P. No.: 17189

UDIN: A040638B000412460





**Annexure - A**

To,  
The Members,  
**Edelweiss Finvest Private Limited**  
Tower 3, Wing B, Kohinoor City Mall,  
Kohinoor City, Kiroli Road, Kurla West,  
Mumbai - 400070.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. We have issued the Secretarial Audit Report based on the available documents provided through e-mail and have not physically verified the documents due to the COVID19 Pandemic situation in Mumbai.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

*Company Secretaries*

SAHANI  
KARAN  
SUDHIR  
Digitally signed by  
SAHANI KARAN  
SUDHIR  
Date: 2020.07.03  
20:38:01 +05'30'

**Karan S. Sahani**

*Partner*

**Place: Mumbai**  
**Date : July 3, 2020**

M. No.: ACS 40638 C.P. No.: 17189

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March, 2020**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**

**(Management and Administration) Rules, 2014]**

I.	REGISTRATION AND OTHER DETAILS:	
i)	CIN	U65993MH2006PTC164007
ii)	Registration Date	August 23, 2006
iii)	Name of the Company	Edelweiss Finvest Private Limited
iv)	Category / Sub-Category of the Company	Public Company*
v)	Address of the Registered office and contact details	Tower 3, Wing B, Kohinoor City Mall, Kohinoor City Kirol Road, Kurla (West), Mumbai- 400070 Email - egia.cs@edelweissfin.com Tel No. - +91 22 4009 2200
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>(1) Link Intime India Private Limited</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Tel No.: +91 22 4918 6270 Fax No.: +91 22 4918 6060

**Edelweiss Finvest Private Limited**

**Corporate Identity Number: U65993MH2006PTC164007**

Registered Office: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (West), Mumbai 400070. Te. No. +91 22 4272 2200

		<b>(2) KFin Technologies Private Limited</b> Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Tel: +91 40 6716 2222 Fax: +91 40 2300 1153
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**\*The Company being a Wholly Owned Subsidiary of a Public Limited Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013**

II	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-	As per Attachment - A
III	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-</b>	As per Attachment - B
IV	<b>SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>	
	i) Category-wise Share Holding	As per Attachment - C
	ii) Shareholding of Promoters	As per Attachment - D
	iii) Change in Promoters' Shareholding (please specify, if there is no change):	As per Attachment - E
	iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	As per Attachment - F
	v) Shareholding of Directors and Key Managerial Personnel:	As per Attachment - G
V	<b>INDEBTEDNESS</b>  <b>Indebtedness of the Company including interest outstanding/accrued but not due</b>	As per Attachment - H

	<b>for payment</b>	
VI	<b>Remuneration of Directors and Key Managerial Personnel</b>	As per Attachment - I
VII	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>	As per Attachment - J

## Attachment - A

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service #	% to total turnover / income of the Company \$
1.	Investing & Financing	649	69.79

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

\$ On the basis of Gross Income

## Attachment - B

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

Sr. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares Held	Applicable Section
1.	ECap Equities Limited  Address: 2 <sup>nd</sup> Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad – 500 034	U67190TG2008PLC057122	Holding Company	67.40%	Section 2(46)
2.	Edelweiss Financial Services Limited  Address: Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098.	L99999MH1995PLC094641	Holding Company	28.83%	Section 2(46)

**Edelweiss Finvest Private Limited**

**Corporate Identity Number: U65993MH2006PTC164007**

Registered Office: Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai 400070. Te. No. +91 22 4272 2200

**Attachment – C**

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1,2019				No. of Shares held at the end of the year as on March 31,2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3,07,38,995	-	3,07,38,995	92.23	3,20,66,481	-	3,20,66,481	96.22	4
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>3,07,38,995</b>	<b>-</b>	<b>3,07,38,995</b>	<b>92.23</b>	<b>3,20,66,481</b>	<b>-</b>	<b>3,20,66,481</b>	<b>96.22</b>	<b>4</b>
<b>(2) Foreign</b>									-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter</b> <b>(A) =(A)(1)+(A)(2)</b>	<b>3,07,38,995</b>	<b>-</b>	<b>3,07,38,995</b>	<b>92.23</b>	<b>3,20,66,481</b>	<b>-</b>	<b>3,20,66,481</b>	<b>96.23</b>	<b>4</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	25,86,874	6*	25,86,880*	7.77	12,59,388	6*	12,59,394*	3.78	4
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-

<b>Sub-total (B)(2):-</b>	<b>25,86,874</b>	<b>6*</b>	<b>25,86,880*</b>	<b>7.77</b>	<b>12,59,388</b>	<b>6*</b>	<b>12,59,394*</b>	<b>3.78</b>	<b>4</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	25,86,874	6*	25,86,880*	7.77	12,59,388	6*	12,59,394*	3.78	4
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3,33,25,869</b>	<b>6</b>	<b>3,33,25,875</b>	<b>100</b>	<b>3,33,25,869</b>	<b>6</b>	<b>3,33,25,875</b>	<b>100</b>	<b>-</b>

\* Includes 6 Equity Shares held by 6 Nominees @ 1 Equity Share per Nominee.

#### Attachment – D

##### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2019			Share holding at the end of the year as on March 31, 2020			% change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	ECap Equities Limited	2,24,59,720	67.40	Nil	2,24,59,720	67.39	Nil	-
2	Edelweiss Financial Services Limited (the ultimate holding company)	82,79,275	24.84	Nil	96,06,761	28.83	Nil	4
	<b>Total</b>	<b>3,07,38,995</b>	<b>92.24</b>	<b>Nil</b>	<b>3,20,66,481</b>	<b>96.22</b>	<b>Nil</b>	<b>4</b>



**Attachment – E**
**(iii) Change in Promoters' Shareholding :**

SR. No.	Name	Shareholding at the beginning of the year as on April 1, 2019		Increase/Decrease in shareholding during the year			Date of change	Cumulative Shareholding during the year / at the end of the year as on March 31, 2020	
		No. of shares	% of the total shares of the Company	No. of Shares Increase	No. of Shares Decrease	Increase /Decrease during the year specifying the reasons for increase / decrease		No. of shares	% of total shares of the Company
1.	Edelweiss Financial Services Limited (the ultimate holding company)	82,79,275	24.84	13,27,486	-	Transfer of shares	March 31, 2020	96,06,761	28.82

# Attachment – F

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

SR. No.	Name	Shareholding at the beginning of the year as on April 1, 2019		Increase/Decrease in shareholding during the year			Date of change	Cumulative Shareholding during the year as on March 31, 2020	
		No. of shares	% of the total shares of the Company	No. of Shares Increase	No. of Shares Decrease	Reason		No. of shares	% of total shares of the Company
1	Edelweiss Securities Limited	12,59,394	3.78	-	-	-	-	12,59,394	3.78
2	Edelweiss Rural & Corporate Services Limited	13,27,486	3.98	-	13,27,486	Transferred	March 31, 2020	Nil	Nil
		<b>Total</b>							<b>3.78</b>

## Attachment – G

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year as on April 1, 2019		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company				No. of shares	% of total shares of the Company
A.	Directors							
	Nil							
B.	<u>Key Managerial Personnel</u>							
	Nil							

## Attachment – H

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL – As per Annexure

**For and on behalf of the Board of Directors  
Edelweiss Finvest Private Limited**

**-Sd-**

**-Sd-**

**Amit Dhawan  
Managing Director & CEO  
DIN :02800746**

**Ashish Kehair  
Non-executive Director  
DIN : 07789972**

**July 3, 2020**

**Details required for FY 19 - 20**
**Annexure VII**
**Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is as under.

Sr. No.	Disclosure Requirement	Disclosure Details		
		Directors	Title	Ratio
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. Amit Dhawan	Managing Director & C.E.O	7.05%
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors/KMP's</b>	<b>Title</b>	<b>% increase in remuneration</b>
		Mr. Amit Dhawan	Managing Director & C.E.O	-19.49%
		Ms. Sheetal Gandhi (Resignation w.e.f June 30, 2019)	Chief Financial Officer	-69.11
		Mr. Niket Joshi (Resignation w.e.f July 10, 2019)	Company Secretary	NA
		Mr. Ritesh Jain (appointment w.e.f December 27, 2019)	Chief Financial Officer	NA
		Mr. Nishant Salvi (Appointment w.e.f January 6, 2020)	Company Secretary	NA
3	Percentage increase in the median remuneration of employees in the financial year	-26.20%		
4	Number of permanent employees on the rolls of Company at the end of the year	52 permanent employees were on the rolls of the Company as on March 31, 2020		

5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>The average increase for employees other than the managerial personnel who were in the employment during the financial year 2018-19 and 2019-20 the average increase is 5.1%</p> <p>The average increase for managerial personnel is -4.2%</p>
6	Affirmations that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

*Explanation.*- For the purposes of this rule.- (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;

(ii) if there is an even number of observations, the median shall be the average of the two middle values.

**For and on behalf of the Board of Directors  
Edelweiss Finvest Private Limited**

-Sd-

**Amit Dhawan**

**Managing Director & CEO  
DIN :02800746**

-Sd-

**Ashish Kehair**

**Non-executive Director  
DIN : 07789972**

**Mumbai, July 3, 2020**

**CARE/HO/RL/2020-21/3114**

**Mr. Nilesh Sampat,**

**EVP,**

**Edelweiss Finvest Private Limited.,**

Edelweiss House, 10<sup>th</sup> Floor,

Off C.S.T. Road, Kalina,

Mumbai – 400 098

November 05, 2020

**Confidential**

Dear Sir,

**Credit rating for Principal Protected Market Linked Debentures**

On a review of recent developments including operational and financial performance Edelweiss Financial Services Limited (Consolidated) for FY20 (A) and H1FY21 (UA), Rating Committee has reviewed the following rating:

Instrument	Rated Amount (Rs. crore)	Amount Utilised* (Rs. Crore)	Rating <sup>1</sup>	Rating Action
Principal Protected Market Linked Debentures	100 (reduced from 500) (Rs. One hundred crore only)	Nil	<b>CARE PP-MLD A+; Stable [PP-MLD Single A Plus; Outlook: Stable]</b>	<b>Re-affirmed</b>

\*As on September 28, 2020

- Please inform us the below- mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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- The rationale of the rating will be communicated to you separately.
- CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
- CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**CARE Ratings Ltd.**

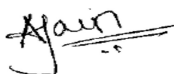
monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

6. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

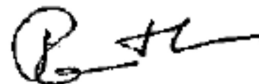
Thanking you,

Yours faithfully,



**Akansha Jain**  
Analyst

[akansha.jain@careratings.com](mailto:akansha.jain@careratings.com)



**Ravi Kumar**  
Associate Director

[ravi.kumar@careratings.com](mailto:ravi.kumar@careratings.com)

Encl: As above

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**CARE Ratings Ltd.**