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

Dated: 09-Sep-2021

THESE DEBENTURES TO BE ISSUED DOES NOT FORMS PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021. THE FACE VALUE OF EACH DEBENTURE TO BE ISSUED ON PRIVATE PLACEMENT BASIS SHALL BE RS.10 LAKHS.

Name of Company	EEDELWEISS FINANCE & INVESTMENTS LIMITED
Permanent Account Number	AAACC2233N
Date of Incorporation	October 27, 1994
Place of incorporation	Maharashtra
Latest Registration / identification number issued by any regulatory authority which regulates such issuer (viz. Reserve Bank of India, IRDAI etc), if applicable	RBI Registration No. B-13. 02144
Description of Company	Edelweiss Finance & Investments Limited was originally incorporated as a Private Limited company under the name and style of Crossborder Investments Private Limited on October 27, 1994 in the state of Maharashtra.
Corporate Identity Number	U67120MH1994PLC286057
Registered Office	Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400098, Maharashtra, India, Tel: +91 22 4009 4400
E-mail	spinvestor@edelweissfin.com
Website	www.edelweissinvestment.edelweissfin.com
Name, telephone number, email address of Compliance Officer	Ms. Pooja Doshi Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400098. Email Address: EWM.Secretarial@edelweissfin.com Tel: +91 22 4009 4400
Name, telephone number, email address of Company Secretary	Ms. Pooja Doshi Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400098. Email Address: EWM.Secretarial@edelweissfin.com Tel: +91 22 4009 4400
Name, telephone number, email address of Chief Financial Officer	Ms. Sheetal Gandhi Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400098. Email Address: Sheetal.Desai@edelweissfin.com Tel: +91 22 4009 4400
Name, telephone number, email address of Promoters	Edelweiss Securities Limited Email Address: EWM.Secretarial@edelweissfin.com Tel: +91 22 4009 4400 Edelweiss Global Wealth Management Limited Email Address: EWM.Secretarial@edelweissfin.com Tel: +91 22 4009 4400

	Edelweiss Financial Services Limited Email Address: CS@edelweissfin.com Tel: +91 22 4009 4400
Credit Rating Agency to the Issue	 An S&P Global Company CRISIL Limited Contact Person: Nikeeta Kalan, Manager Contact No: 9820904056 Email Address: niketa.kalan@crisil.com
Debenture Trustee for the issue	 SBICAP Trustee Company Ltd. SBICAP Trustee Company Limited Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai – 400 020 Tel: +91 22 4302 5530, Fax: +91 22 4302 5500, E-mail: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Mr. R.L.N. Rao, AVP Head Legal and Compliance
Date of the placement memorandum	09-Sep-2021
Type of placement memorandum	Private Placement Memorandum
The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	ISSUE BY WAY OF PRIVATE PLACEMENT BY EDELWEISS FINANCE & INVESTMENTS LIMITED (THE “COMPANY” / “ISSUER”) OF 750 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 1,000,000/- EACH AGGREGATING TO RS 750,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE “ISSUE”)
The aggregate amount proposed to be raised through all the stages of offers of nonconvertible securities made through the shelf placement memorandum	Not Applicable
Registrar the issue	 KFinTECH 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 : venu.sp@karvy.com Website: www.kfintech.com Contact Person: Mr. S P Venugopal, GM-Corporate Registry
The Issue Schedule	
(i) date of opening of the issue	09-Sep-2021
(ii) date of closing of the issue	09-Sep-2021
(iii) date of earliest closing of the issue, if any	09-Sep-2021
Credit Rating	CRISIL PP-MLD AA-r/Negative (pronounced as CRISIL PP-MLD double A - r rating with Negative outlook) by CRISIL Limited for Rs. 750.00 Crore Long Term Principal Protected Market Linked Debenture issue. Instruments with this rating are

	considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. A prefix of PP-MLD indicates that the instrument is a principal-protected market linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The r suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned at any time, on the basis of new information, or unavailability of information or other circumstances which CRISIL believes may have impact on the rating.		
Cross Reference of Press Release for Credit Rating	Please find below the link for detailed press release for Credit Rating https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/EdelweissFinanceandInvestmentsLimited_August%2027,%202021_RR_276706.html Please refer Annexure 8 for detailed press release for Credit Rating.		
All the ratings obtained for the private placement	Rating Agency	Rating Description	Instrument
	Crisil	CRISIL AA-/Negative	Long Term-Non Convertible Debentures
	Crisil	CRISIL PP- MLD A1+r	Short Term – Structured Products
	CARE	CARE PP-MLD A+/Stable	Long Term-Structured Products
	Crisil	CRISIL PP-MLD AA-r/Negative	Long Term-Structured Products
	BWR	BWR PP-MLD AA-/stable	Long Term-Structured Products
	CARE	CARE A+/stable	Long Term-Non Convertible Debentures
	Crisil	CRISIL PP-MLD A1+r	Short Term – Structured Products
	ACUITE	ACUITE AA/Negative	Long Term-Non Convertible Debentures
	ACUITE	ACUITE AA/Negative	Long Term-Non Convertible Debentures
	CARE	CARE A1+	Short Term – Non Convertible Debentures
	CARE	CARE PP-MLD A1+	Short Term – Structured Products
	ACUITE	Acuite A1+	Short Term – Non Convertible Debentures
The name(s) of the stock exchanges where the securities are proposed to be listed	BSE Limited		
The details about eligible investors	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 /FIIIs,/sub-accounts of FIIs as per the applicable laws, rules and regulations	
Coupon Rate	Scenario	Coupon
	If Final Fixing Level <= 50% of Initial Fixing Level	0.00%
	If Final Fixing Level > 50% of Initial Fixing Level	20.71%
Coupon Payment Frequency	Coupon, if any will be paid on Redemption Date	
Redemption Date	07-Dec-2023	
Redemption Amount	Rs. 1,000,000 *(1+Coupon) /- Per Debenture	
Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable	ISSUE BY WAY OF PRIVATE PLACEMENT BY EDELWEISS FINANCE & INVESTMENTS LIMITED (THE "COMPANY" / "ISSUER") OF 750 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 1,000,000/- EACH AGGREGATING TO RS 750,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE "ISSUE")	
Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters	Not Applicable	
Compliance in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable	Not Applicable	
Disclosure of Issuer or any of its promoters or directors being a wilful defaulter	The Company and none of its Promoters and Directors of the Company are wilful defaulters.	

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY EDELWEISS FINANCE & INVESTMENTS LIMITED (THE "COMPANY" / "ISSUER") OF 750 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 1,000,000/- EACH AGGREGATING TO RS 750,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE "ISSUE")

GENERAL RISKS
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.

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

GENERAL DISCLAIMER

This 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.

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.

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 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'.

FORWARD LOOKING STATEMENTS

The forward looking statements, if any, contained in this Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

ISSUE PROGRAMME*

ISSUE OPENS ON: 09-Sep-2021

ISSUE CLOSES ON: 09-Sep-2021

*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.



Edelweiss
 Ideas create, values protect

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
Part –A	PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER:	
1.	GENERAL INFORMATION:	
i.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	Serial No.7
ii.	Date of incorporation of the company;	Serial No.7
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	Serial No.8
iv.	Brief particulars of the management of the company;	Serial No.12(a)
v.	Names, addresses, DIN and occupations of the directors;	Serial No.12(b)
vi.	Management's perception of risk factors;	Serial No.22
vii.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of – i) statutory dues; ii) debentures and interest thereon; iii) deposits and interest thereon; iv) loan from any bank or financial institution and interest thereon.	Serial No.24(g)(i)
viii.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;	Serial No.7
ix.	Any Default in Annual filing of the Company under the Companies Act, 2013, or the rules made thereunder.	No
2	PARTICULARS OF THE OFFER:	
i.	Financial position of the Company for the last 3 financial years;	Serial No.8 (d)
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	Not Applicable

	private placement;	
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 1
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
3	MODE OF PAYMENT FOR SUBSCRIPTION: • Cheque; or • Demand Draft; or • Other Banking Channels.	Serial No.24(f)
4	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC:	
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.17(b)
iii.	Remuneration of directors (during the current year and last three financial years);	Serial No.24(g)(ii)
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.24(g)(iii)
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application 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.24(g)(iv)
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application 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	Serial No.24(g)(v)

	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;	
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	Serial No.24(g)(vii)
5	FINANCIAL POSITION OF THE COMPANY:	
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.10(c)
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.10(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.24(g)(viii)
d	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	Serial No.24(g)(ix)
e	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter;	Serial No.8(d)
f	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter;	Serial No.24(g)(x)
g	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	Serial No.24(g)(xi)
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5.	Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).
6.	Issue Schedule
7.	Issuer Information
8.	Brief Summary Of The Business/ Activities Of The Issuer And Its Subsidiaries, If Any, With The Details Of Branches Or Units, If Any And Its Line Of Business
9.	Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability
10.	Brief history of the Issuer
11.	Details of the Shareholding Pattern of the Company
12.	Brief particulars of the management of the Company;
13.	Details of auditors of the Company
14.	Details of Liabilities of the Company
15.	Disclosures on Asset Liability Management as per the latest Audited Financial Statements
16.	Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past three years including the current financial year
17.	Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities
18.	Corporate Guarantee or Letter of Comfort or any other document/letter with same intent
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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
“Edelweiss Finance and Investments Limited” or “EFIL” or the “Company” or the “Issuer”	Edelweiss Finance & Investments Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai- 400 098
Articles of Association	Articles of Association of the Company, as amended from time to time.
Board of Directors/Board	The Board of Directors of the Company and includes committee thereof.
Memorandum of Association	The Memorandum of Association of the Company, as amended from time to time.
Promoter(s) / Holding Company	Edelweiss Securities Limited – Holding Company Edelweiss Global Wealth Management Limited – Promoter Company Edelweiss Financial Services Limited - Promoter Company
Disclosure Document	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
Affiliate (s)	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.
AGM	Annual General Meeting
Application Form	The form in which an investor can apply for subscription to the Debentures.
BSE / Stock Exchange	BSE Limited
Bankers to the Issue	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.
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act.
Calculation Agent	Edelcap Securities Limited
Category I	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
Category II	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
CDSL	Central Depository Services (India) Limited.
Companies Act	Companies Act, 2013 and amendments made thereunder.
Credit Rating Agency	CRISIL Limited Limited
Events of Default	The occurrence of any one of the events as mentioned in the Trust Deed shall constitute an Event of Default.
Debentures	750 Secured, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 1,000,000/- EACH AGGREGATING TO RS 750,000,000/- ISSUED AS PER THE RESPECTIVE SUMMARY TERM SHEETS (THE “ISSUE”)
Debenture Holders	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.
Debenture Trust Deed	Debenture Trust Deed between the Company and SBICAP Trustee Company Limited (the Debenture Trustees) as stated in the Summary Term Sheet
Depository(ies)	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.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Disclosure Document	This Disclosure Document/Private Placement Offer cum application Letter through which the Debentures are offered on private placement basis
DP-ID	Depository Participant Identification Number.
EGM	Extra -ordinary General Meeting
Equity Shares	Equity shares of the Company of face value of Rs. 10 each.
FEMA	Foreign Exchange Management Act, 1999, as amended, and the related rules and regulations framed thereunder
FII	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.
FPI	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.
Gilts or Government Securities'	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.
G-Sec	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. - a Government Promissory Note (GPN) payable to or to the order of a certain person; or - a bearer bond payable to a bearer; or - a stock; or a bond held in a Bond Ledger Account (BLA).
GLD	G-Sec Linked Debenture
NSE INDICES LIMITED (erstwhile IISL)	NSE Indices Limited (erstwhile India Index Services and Products Limited) - Reference Index Calculating Agent
INR / Rs. / Rupees	Currency of Republic of India
Investors	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.
IRF	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.
IRFLD	Interest Rate Futures Linked Debenture
ISIN	International Securities Identification Number
Mutual Funds	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

Majority Debentureholders	Majority Debentureholders ” means such number of Debentureholders holding 75% of the outstanding nominal value of the Debentures issued under each Disclosure Documents(s).
NPA	Non Performing Asset
NEFT	National Electronic Fund Transfer
NLD	Nifty Linked Debenture
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
NRI	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.
OCB	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.
PAS	Prospectus and Allotment of Securities
PAN	Permanent Account Number.
Preference Shares	Preference shares of the Company of face value of Rs. 10 each.
Private Placement	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
RBI	Reserve Bank of India
Registered Debenture Holder	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.
Register of Debenture Holders	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.
Redemption Date	(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;
Reference Index	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.
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulations) Act, 1956, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
Security Documents	Security documents entered into for creation of security for the benefit of the Debenture Holders.
Valuation Agency	The Company has entered into valuation agreement(s) with SEBI registered credit rating agencies namely CRISIL Limited (“CRISIL”), ICRA Limited (“ICRA”) and CARE Risk Solutions Private Limited. 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://edelweissinvestment.edelweissfin.com/investor-relations/ 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.
Working Days	All days except Saturday, Sunday and any public holiday.
Wilful Defaulter	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.
WDM	Wholesale debt market

2. Regulatory Reference

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

3. Details of Promoters of the Issuer Company:

S.No	Name of the Promoter	Edelweiss Securities Limited	Edelweiss Global Wealth Management Limited	Edelweiss Financial Services Limited
1	Date of Birth/ Date of Incorporation	20/08/1993	09/10/2007	21/11/1995
2	Age	NA	NA	NA
3	Personal Addresses	Edelweiss House, Off CST Road, Kalina, Mumbai 400098.	Edelweiss House, Off CST Road, Kalina, Mumbai 400098.	Edelweiss House, Off CST Road, Kalina, Mumbai 400098.
4	Educational Qualifications	NA	NA	NA
5	Experience in the business or employment	NA	NA	NA
6	Positions/posts held in the past	NA	NA	NA
7	Directorships held	NA	NA	NA
8	Other ventures of each promoter	Stock Broker, Research Analyst, Mutual Fund Distribution, Real Estate Agent, Investment Adviser	Investment Adviser	SEBI Registered Merchant Banker
9	Special Achievements	NA	NA	NA
10	Business and Financial activities	Stock Broker, Research Analyst, Mutual Fund Distribution, Real Estate Agent, Investment Adviser	Investment Adviser	SEBI Registered Merchant Banker

11	Photograph	NA	NA	NA
12	Permanent Account Number	AAACK3792N	AABCI7567C	AAACE1461E

4. Details of credit rating along with reference to the rating letter issued by the rating agencies in relation to the issue.

CRISIL PP-MLD AA-r/Negative (pronounced as CRISIL PP-MLD double A - r rating with Negative outlook) by CRISIL Limited for Rs. 750.00 Crore Long Term Principal Protected Market Linked Debenture issue. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. A prefix of PP-MLD indicates that the instrument is a principal-protected market linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The r suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned at any time, on the basis of new information, or unavailability of information or other circumstances which CRISIL believes may have impact on the rating.

The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted is attached as Annexure 8 and the link for press release for the same is as below

https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/EdelweissFinanceandInvestmentsLimited_August%2027,%202021_RR_276706.html

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

BSE Limited. The Company has designated BSE Limited as designated stock exchange and has maintained Recovery Expense Fund with the same.

6. Issue Schedule

Particulars	Date
Issue Opening Date	09-Sep-2021
Issue Closing Date	09-Sep-2021
Pay in Date	09-Sep-2021
Deemed Date of Allotment	09-Sep-2021

7. ISSUER INFORMATION

Date of incorporation of the company	October 27, 1994
Registered Office	Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400098 Telephone: +91 22 4272 2200
Corporate Office	Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400098 Telephone: +91 22 4272 2200
Compliance Officer	Ms. Pooja Doshi Edelweiss House, Off. C.S.T. Road,

	Kalina, Mumbai 400098. Tel: +91 22 4009 4400
Chief Financial Officer	Ms. Sheetal Gandhi Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400098. Tel: +91 22 4009 4400
Debenture Trustee of the Issue	SBICAP Trustee Company Limited Mistry Bhavan, 4th Floor, 122 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 Contact Person: Mr. R.L.N.Rao, AVP Head Legal and Compliance
Credit Rating Agency(ies) of the Issue	CRISIL Limited Email Address: niketa.kalan@crsil.com Website: www.crisil.com Contact Person: Nikeeta Kalan, Manager Contact No: 9820904056
Registrar of the 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 : venu.sp@karvy.com Website: www.kfintech.com Contact Person: Mr. S P Venugopal, GM-Corporate Registry
Statutory Auditors of the Issuer	S.R. Batliboi & Co. LLP Chartered Accountants 14th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028, Maharashtra India. Tel: +91 22 6819 8000 Contact Person: Mr. Viren Mehta Website: www.ey.com Email Address: viren.mehta@srb.in
Legal Counsel of the Issue	Not Applicable
Guarantor of the Issue	Not Applicable
Arranger of the Issue	Not Applicable

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

(a) Overview of the business of the Issuer:

Edelweiss Finance & Investments Limited was originally incorporated as a Private Limited company under the name and style of Crossborder Investments Private Limited on October 27, 1994 in the state of Maharashtra.

The Company became the subsidiary of Edelweiss Financial Services Limited (EFSL) with effect from March 3, 2000. The Equity Shares of EFSL are listed on BSE Limited and National Stock Exchange of India Limited.

The name of the Company was changed to “Edelweiss Finance & Investments Private Limited” with effect from July 24, 2009.

With effect from August 20, 2009, the status of the Company changed from private limited company to public limited company and the name changed to Edelweiss Finance & Investments Limited.

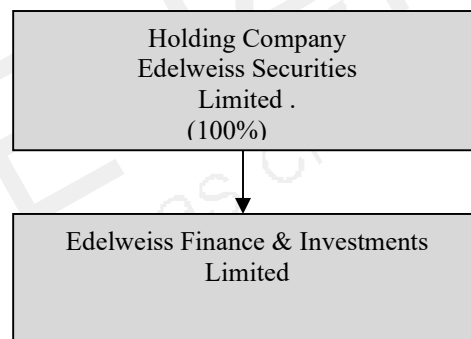
Vide Order of the Company Law Board dated January 17, 2007, the Registered Office of the Company shifted from the state of Maharashtra to the state of Andhra Pradesh and the Registrar of Companies, Andhra Pradesh by giving the Corporate Identity Number U67120AP1994PLC052372.

The Company is registered as a Non-Banking Financial Institution not accepting public deposits with the Reserve Bank of India. The Company is engaged in the business of investments and lending. Over a period of time the Company has acquired the status of Systemically important Non-Banking Financial Company not accepting public deposits.

We are part of the Edelweiss group, which is one of India's diversified financial service conglomerate offering credit, wealth, asset management, asset reconstruction and capital market advisory services and life and general insurance. Our Company is presently engaged in the business of granting loans against securities, margin trade financing and IPO financing. Our company intends to grow into a leading NBFC of the Edelweiss group's advisory business. The Edelweiss group's advisory business presently includes wealth management, asset management, asset reconstruction and capital markets.

Our Company's product portfolio currently comprises of granting loans against securities, margin trade financing and IPO financing. We provide loans to our customers against the pledge of certain specified securities held by such customers. The product is offered to customers who require liquidity against their investments in certain specific marketable securities including equity shares, units of mutual funds, bonds, debentures and structured products. The tenure of such loans may be up to 30 months.

(b) Corporate Structure:



(c) Project Cost and means of financing, in case of funding of new projects: NA

(d) A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old.

Balance Sheet as at			
(Currency : Indian rupees in million)			
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets			
Financial assets			
(a) Cash and cash equivalents	779.47	1,587.54	1,050.24
(b) Bank balances other than cash and cash equivalents	3.45	3.45	53.33
(c) Derivative financial instruments	625.19	17.84	1.01
(d) Securities held for trading	2,074.37	31.00	13,804.53
(e) Receivables			
(i) Trade receivables	216.24	11.90	6,283.79
(ii) Other receivables	23.35	13.73	0.84
(f) Loans	14,104.44	6,392.90	-
(g) Investments			-
(g) Other financial assets	2,660.79	134.19	444.72
	20,487.30	8,192.55	21,638.46
Non-financial assets			
(a) Current tax assets (net)	147.02	136.65	145.62
(b) Deferred tax assets (net)	23.31	7.82	74.03
(c) Property, Plant and Equipment	5.62	6.09	6.56
(d) Other Intangible assets	2.48	5.55	9.27
(e) Other non- financial assets	23.32	67.14	40.03
	201.75	223.25	275.51
Total Assets	20,689.05	8,415.80	21,913.97
Liabilities			
Financial liabilities			
(a) Derivative financial instruments	104.42	5.70	260.35
(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	173.79	62.01	49.40
(c) Debt securities	10,213.67	3,281.73	-
(d) Borrowings (other than debt securities)	3,363.86	29.28	19,215.17
(e) Subordinated Liabilities	160.00	340.55	516.59
(f) Other financial liabilities	77.55	21.22	32.56
	14,093.29	3,740.49	20,074.07
Non-financial liabilities			
(a) Current tax liabilities (net)	10.04	34.43	80.24
(b) Provisions	43.19	9.55	10.46
(c) Other non-financial liabilities	27.61	12.63	16.34
	80.84	56.61	107.04
Equity			
(a) Equity share capital	114.59	83.35	34.35
(b) Other equity	6,400.33	4,535.35	1,698.51
	6,514.92	4,618.70	1,732.86
Total Liabilities And Equity	20,689.05	8,415.80	21,913.97

Statement of Profit and Loss for the year ended (Currency : Indian rupees in million)			
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	1,320.13	1,190.14	1,410.66
Dividend income	0.33	-	1.44
Fee and commission income	206.09	15.28	-
Net gain on fair value changes (including Treasury income)	477.74	278.42	-
Other income	1.68	1.52	12.49
Total Revenue	2,005.97	1,485.36	1,424.59
Expenses			
Finance costs	981.94	984.38	1,204.46
Net loss on fair value changes (including Treasury income)	-	-	58.76
Impairment on financial instruments	45.97	25.67	-
Employee benefits expense	510.79	80.37	35.77
Depreciation and amortisation expense	4.78	5.40	6.04
Other expenses	276.94	125.88	73.88
Total expenses	1,820.42	1,221.70	1,378.91
Profit before tax	185.55	263.66	45.68
Tax expenses			
(1) Current tax	57.54	13.16	69.38
(2) Deferred tax (net)	(15.49)	66.21	(36.79)
Profit for the year	143.50	184.29	13.09
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
a) Remeasurement gain on defined benefit plans (OCI)	3.64	(4.34)	0.16
b) Income Tax - OCI - that will not be reclassified	(0.92)	1.09	(0.06)
Total	2.72	(3.25)	0.10
Total Comprehensive Income	146.22	181.04	13.19
Earnings per equity share (Face value of Rs. 10 each) (in Rs.):			
Basic	17.07	53.44	3.81
Diluted	17.07	53.44	3.81



Statement of cash flows for the year ended			
(Currency : Indian rupees in million)			
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities			
Profit before tax	185.55	263.66	45.68
<i>Adjustments for</i>			
Depreciation and amortisation expense	4.78	5.40	6.04
Profit on sale of investments		0.00	-
Fair value (gain) / loss of financial instruments	(47.87)	(0.98)	176.21
Provision for compensated absences	29.59	(0.91)	0.35
Write back of deferred bonus		-	(105.52)
Interest expenses		-	0.00
Expense on employee stock option scheme		-	5.47
Impairment on financial assets	45.97	25.67	-
Profit on sale of Property, Plant and Equipment	(0.32)	(0.01)	(0.21)
Operating cash flow before working capital changes	217.70	292.83	128.02
Add / (Less): Adjustments for working capital changes			
Increase in Loans	(7,742.81)	(6,418.57)	-
Decrease / (increase) Trade and other receivables	(228.66)	6,259.00	(1,626.19)
Decrease in Securities held for trading	(1,995.50)	13,774.51	844.14
Decrease / (increase) in Other financial assets	(3,133.95)	343.59	(266.79)
Increase in Other non- financial assets	43.82	(27.11)	(14.72)
Increase / (decrease) in Trade payables	111.78	12.60	(5.24)
Decrease in Non-financial liabilities and Provisions	21.75	(6.96)	(7.52)
(Decrease) / increase in Other financial liabilities	155.05	(265.99)	223.39
Cash generated from / (used in) operations	(12,550.82)	13,963.90	(724.91)
Income taxes paid	(92.30)	(50.00)	(16.11)
Net cash generated from / (used in) operating activities - A	(12,643.12)	13,913.90	(741.02)
B Cash flow from investing activities			
Purchase of Property, Plant and Equipment	(2.63)	(1.26)	(8.00)
Increase in Capital Work-in-progress and Intangibles under development		0.00	0.00
Sale of Property, Plant and Equipment	1.71	0.06	0.83
Purchase of investments		0.00	0.00
Sale of Investments		0.00	0.00
Dividend on investments		0.00	0.00
Net cash used in investing activities - B	(0.92)	(1.20)	(7.17)
C Cash flow from financing activities			
Proceeds from issuance of Share capital (including Securities Premium)	1,750.00	2,704.80	-
Movement in reserves			
Proceeds from issuance of Debt Securities	6,931.94	3,281.73	-
(Decrease) / increase in Borrowings other than Debt Securities (refer note 2)	3,334.58	(19,185.88)	1,645.47
Repayment of Subordinated Liabilities	(180.55)	(176.04)	-
Net cash (used in) / generated from financing activities - C	11,835.97	(13,375.40)	1,645.47
Net increase in cash and cash equivalents (A+B+C)	(808.07)	537.30	897.28
Cash and cash equivalent as at the beginning of the year	1,587.54	1,050.25	152.96
Cash and cash equivalent as at the end of the year	779.47	1,587.54	1,050.24

(e) Unaudited Financial Results for the Quarter Ended June 30, 2021 along with limited review report.

Edelweiss Finance & Investments Limited Corporate Identity Number : U67120MH1994PLC286057 Regd. Off: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098, Tel: +91-22-40094400 Fax: +91-22-40863610 website: www.edelweissfin.com				
Financial Results for quarter ended June 30, 2021				
Particulars	Quarter Ended			Year Ended
	June 30, 2021 (Unaudited)	March 31, 2021 (Audited) (Refer note 6)	June 30, 2020 (Unaudited)	March 31, 2021 (Audited)
1 Revenue from operations				
(a) Interest income	48.26	42.86	20.89	132.01
(b) Dividend income	0.45	0.02	-	0.03
(c) Fee and commission income	8.70	8.13	2.04	20.61
(d) Net gain on fair value changes (including Treasury income)	26.46	30.50	0.73	47.77
Total revenue from operations	83.87	81.51	23.66	200.42
2 Other income	-	0.14	0.03	0.17
3 Total Income (1+2)	83.87	81.65	23.69	200.59
4 Expenses				
(a) Finance costs	37.46	34.58	11.64	98.19
(b) Employee benefits expense	14.48	19.66	8.33	51.08
(c) Depreciation and amortisation expense	0.11	0.15	0.02	0.48
(d) Impairment on financial instruments	2.38	1.94	2.00	4.60
(e) Other expenses	13.37	13.39	3.54	27.69
Total expenses	67.80	69.72	25.53	182.04
5 Profit / (Loss) before tax (3-4)	16.07	11.93	(1.84)	18.55
6 Tax expense	4.19	2.18	(0.31)	4.20
7 Net Profit / (Loss) for the period (5-6)	11.88	9.75	(1.53)	14.35
8 Other Comprehensive Income / (Loss)	0.07	(0.23)	0.00	0.27
9 Total Comprehensive Income / (Loss) (7+8)	11.95	9.52	(1.53)	14.62
10 Earnings Per Share (₹) (Face Value of ₹ 10/- each)				
- Basic (Refer note 5)	10.37	11.31	(1.86)	17.07
- Diluted (Refer note 5)	10.37	11.31	(1.86)	17.07

Notes:

- Pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, results were prepared for the purpose of presentation of consolidated financial results of Edelweiss Securities Limited.
- The above unaudited financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors at its meeting held on July 19, 2021.
- The outbreak of COVID-19 virus and more importantly the current wave of infections and resultant lockdowns continue to cause significant disruptions. While the lockdown introduced by the government at the beginning of the previous year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact. 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. 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 and receivables, 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 continue 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.

- The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- Earnings per share for the quarter ended June 30, 2021, March 31, 2021 and June 30, 2020 are not annualized.
- The figures for quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended December 31, 2020.

Edelweiss Finance & Investments Limited

Corporate Identity Number : U67120MH1994PLC286057

Regd. Off: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098

Tel: +91-22-40094400 Fax: +91-22-40863610

website: www.edelweissfin.com

7 Balance Sheet as at June 30, 2021

(₹ in Crores)

	June 30, 2021 (Unaudited)	March 31, 2021 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	357.13	77.95
(b) Bank balances other than (a) above	0.37	0.35
(c) Derivative financial instruments	88.63	62.52
(d) Securities held for trading	237.97	207.44
(e) Receivables		
(i) Trade receivables	70.06	21.62
(ii) Other receivables	0.09	2.33
(f) Loans	1,613.79	1,410.44
(g) Other financial assets	144.47	266.08
Non-financial assets		
(a) Current tax assets (net)	15.31	14.70
(b) Deferred tax assets (net)	1.06	2.33
(c) Property, Plant and Equipment	0.52	0.56
(d) Other Intangible assets	0.33	0.26
(e) Other non- financial assets	2.71	2.33
TOTAL ASSETS	2,532.44	2,068.91
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Derivative financial instruments	40.82	10.44
(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	166.54	17.38
(c) Debt securities	1,298.35	1,021.37
(d) Borrowings (other than debt securities)	336.82	336.39
(e) Subordinated Liabilities	14.32	16.00
(f) Other financial liabilities	4.08	7.76
Non-financial liabilities		
(a) Current tax liabilities (net)	1.30	1.00
(b) Provisions	4.41	4.32
(c) Other non-financial liabilities	2.36	2.76
Equity		
(a) Equity share capital	11.46	11.46
(b) Other equity	651.98	640.03
TOTAL LIABILITIES AND EQUITY	2,532.44	2,068.91

8 Previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year's presentation.

For Limited Review Report for Unaudited Financial Results for the Quarter ended June 30, 2021, please refer Annexure 3.

(f) Key Operational and Financial Parameters on Consolidated, if any, and Standalone Basis for the last three audited years and half year ended June 30, 2021:

Amount in Millions

Standalone		(Rs in millions)		
Parameters	Quarter ended	Year ended	Year ended	Year ended
	30-Jun-21	March 31, 2021	March 31, 2020	March 31, 2019
	Unaudited	Audited	Audited	Audited
Networth #	6,623.83	6,491.61	4,610.88	1,658.83
Total Debt	16,494.94	13,737.53	3,651.56	19,731.76
(i) Borrowings (other than debt securities)	3,368.24	3,363.86	29.28	19,215.17
(ii) Subordinated Liabilities	143.17	160.00	340.55	516.59
(iii) Debt Securities	12,983.53	10,213.67	3,281.73	-
Property, Plant and Equipment	5.25	5.62	6.09	6.56
Other Intangible assets	3.32	2.48	5.55	9.27
Loans	16,137.86	14,104.44	6,392.90	-
Cash and cash equivalents	3,571.28	779.47	1,587.54	1,050.24
Bank balances other than cash and cash equivalents	3.68	3.45	3.45	53.33
Securities held for trading	2,379.71	2,074.37	31.00	13,804.53
Investments	-	-	-	-
Receivables	701.56	239.59	25.63	6,284.63
(i) Trade receivables	700.63	216.24	11.90	6,283.79
(ii) Other receivables	0.92	23.35	13.73	0.84
Other assets	2,511.21	3,456.32	355.82	631.38
(i) Derivative financial instruments	886.30	625.19	17.84	1.01
(ii) Other financial assets	1,444.72	2,660.79	134.19	444.72
(iii) Current tax assets (net)	153.11	147.02	136.65	145.62
(iv) Other non- financial assets	27.08	23.32	67.14	40.03
Trade Payable	1,665.36	173.79	62.01	49.40
Other liability	529.74	262.81	83.53	399.95
(i) Derivative financial instruments	408.22	104.42	5.70	260.35
(ii) Other financial liabilities	40.84	77.55	21.22	32.56
(iii) Current tax liabilities (net)	12.99	10.04	34.43	80.24
(iv) Provisions	44.13	43.19	9.55	10.46
(v) Other non-financial liabilities	23.56	27.61	12.63	16.34

Networth = Equity Share capital + Other equity- Deferred Tax asset (net)

Note: The Company presents its balance sheet in compliance with the Division III of the Schedule III to the Companies Act, 2013. Hence above Key Operational and Financial Parameters presented in same line.

Amount in Millions

Profit and Loss	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Unaudited	Audited	Audited	Audited
Total revenue	838.67	2005.97	1485.36	1424.59
From operations	838.67	2004.29	1483.84	1412.10
Other Income	0.00	1.68	1.52	12.49
Total Expenses	677.88	1820.42	1221.7	1378.91
Profit Before Tax	160.78	185.55	263.66	45.68
Profit after Tax	118.85	143.5	184.29	13.09
Other Comprehensive Income	0.68	2.72	-3.25	0.10
Total Comprehensive Income	119.53	146.22	181.04	13.19
Earnings per equity share:				
(a) basic; and (b) diluted Continuing operations	10.37	17.07	53.44	3.81
(a) basic; and (b) diluted Discontinued operations				
Total Continuing and discontinued operations	10.37	17.07	53.44	3.81
Cash Flow	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Unaudited	Audited	Audited	Audited
Net cash generated from operating activities	35.93	-12,643.12	13,913.90	-724.91
Net cash used in / generated from investing activities	-1.53	-0.92	-1.20	-7.17
Net cash used in financing activities	2,757.41	11,835.97	-13,375.40	1,645.47
Cash and Cash Equivalents (Opening balance)	779.47	1,587.54	1,050.24	152.96
Balance as per statement of cash flows (Closing Cash & Cash Equivalents)	3,571.28	779.47	1,587.54	1,050.24

Amount in Millions

Additional Information	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	Unaudited	Audited	Audited	Audited
Net worth @	6,623.83	6,491.16	4610.88	1658.83
Cash and Cash Equivalents	3,571.28	779.47	1,587.54	1,050.24
Current Investments *	2,379.71	2,074.37	31.00	13,804.53
Assets Under Management #	16244.80	14235.15	6418.57	-
Off Balance Sheet Assets	-	-	-	-
Total Debts to Total assets**	NA	NA	NA	NA
Debt Service Coverage Ratios**	NA	NA	NA	NA
Interest Income	482.56	1320.13	1190.14	1410.66
Interest Expense	374.56	981.94	984.38	1204.463
Interest service coverage ratio**	NA	NA	NA	NA
Provisioning & Write-offs	23.80	45.97	25.67	0
Bad debts to Account receivable ratio	0%	0%	0%	0%
Gross NPA (%)	0%	0%	0%	0%
Net NPA (%)	0%	0%	0%	0%

Tier I Capital Adequacy Ratio (%)	24.16%	26.84%	47.18%	22.40%
Tier II Capital Adequacy Ratio (%)	1.23%	1.21%	8.88%	6.64%

'@ Networth = Equity Share Capital+ other Equity- Deferred Tax asset

Assets Under Management refers to Gross Loan outstanding as on date

*Current Investments refers to Securities held for trading

**The Company being NBFC, this disclosure is not applicable pursuant to provision to Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.

Debt-Equity Ratio	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Before the Issue	2.49	0.79	11.90	0.39
After the Issue	2.60		-	-

Consolidated Financial Statements are not applicable since the Company does not have any subsidiary.

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

Refer Note No.35 of Audited Financial Statements for the Financial Year ended March 31, 2021

10. A BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF IT FOLLOWING ACTIVITIES

(a) History:

Edelweiss Finance & Investments Limited was originally incorporated as a Private Limited company under the name and style of Crossborder Investments Private Limited on October 27, 1994 in the State of Maharashtra. The Company became the subsidiary of Edelweiss Financial Services Limited (EFSL) with effect from March 3, 2000. The Equity Shares of EFSL are listed on BSE Limited and National Stock Exchange of India Limited.

Presently, the Registered Office of the Company is situated at 2nd Floor, M. B. Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh and the Corporate Office is at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098.

The Company became a subsidiary of Edelweiss Securities Limited (ESL) with effect from May 4, 2020.

The Company got registered as a Non-Banking Financial Institution not accepting public deposits with the Reserve Bank of India on March 30, 2002. The Company is engaged in the business of investments and lending. The Company has 4 (four) Offices, which includes the Registered Office the Corporate Office, an Office and a Branch Office.

As of date, the Company does not have any subsidiary.

(b) Details of Share Capital of the Company as on August 17, 2021:

Share Capital

Particulars	Amount (Rs. in crores)
A. Authorised Capital	
4,16,20,000 Equity shares of Rs.. 10 each	41.6
3,13,80,000 Preference shares of Rs. 10 each	31.38
Total	73

B. Issued, Subscribed and Paid Up Capital	
1,14,59,105 (Equity shares of Rs. 10 each, fully paid-up)	11.45
93,18,000- 14.625% - Cumulative Redeemable Preference Shares of Rs.10 each, fully paid-up	9.318
Total	20.768
Paid up capital (A) after the offer; (B) after conversion of convertible instruments (if applicable) (d) share premium account (before and after the offer)	There will be no change in the Capital and Share Premium after the Offer.

(c) Change in capital structure as at June 30, 2021, for the last 3 years:

i. Authorized Share Capital and the changes therein:

Date of Change (AGM/EGM)	Amount in Rs.	Particulars / Remarks
August 1, 2017 (EGM)	Rs. 73,00,00,000/-	Reclassification of 3,86,20,000 Preference Shares of Rs. 10 each into 3,86,20,000 Equity Shares of Rs.10 each.

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

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, Other than cash, etc) Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share Capital (Rs. In Cr)	Cumulative Equity Share Premium (Rs. In Cr)	Remarks
August 4, 2017	5,85,000	10	502	Cash	Allotment to the Holding Company	32,40,020	3.24002	256.387	----
February 28, 2018	1,95,312	10	502	Cash	Allotment to the Holding Company	34,35,332	3.435	266.192	----
March 31, 2020	49,00,000	10	552	Cash	Allotment to Edelweiss Securities Limited	83,35,332	8.335	531.772	
March 24, 2021	31,23,773	10	560.22	Cash	Allotment to Edelweiss Securities Limited	1,14,59,105	11.45		

(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

Type of the Event	Date of Announcement	Date of Completion	Details
NA	NA	NA	NA

11. DETAILS OF THE SHAREHOLDING PATTERN AS ON SEPTEMBER 02, 2021 AS PER THE FORMAT SPECIFIED UNDER LISTING REGULATIONS:

(a) Equity Shareholding pattern of the Company as on September 02, 2021:

Table I - Summary Statement holding of specified securities as on September 02, 2021

Cate gory (I)	Cate gory of share holde r (II)	Nos. of shareh olders (III)	No. of fully paid up equity shares held (IV)	No .of Par tly pai d- up eq uit y sha res hel d (V)	No. of share s under lying Depo sitory Recei pts (VI)	Total nos.sh ares held (VII)=(IV)+ (V)+(V I)	Shareh olding as a % of total no. of shares (calcul ated as per SCRR, 1957) (VIII) As a % of (A+B+ C2)	Num ber of Voti ng Righ ts held in each class of secu rities (IX)				No of shares Under lying outsta nding conve rtible securi ties (inclu ding Warra nts) (X)	Shareh olding as a % assumi ng full conver sion of conver tible securit ies (as a prcent age of diluted share capital) (XI)=(V II)+(X) As a % of (A+B+ C2)	Number of Locked in shares (XII)		Numb er of shares pledge d or other wise encum bered (XIII)	Number of equity shares held in dematerialize d form (XIV)		
								No of Voti ng Righ ts			No o f total sha res hel d (b)			No. (a)	As a % of total shares held (b)				
								Class eg:x	Class eg:y	To tal									
(A)	Prom oter & Prom oter group	1	1,14, 59,10 5	Nil	Nil	1,14, 59,10 5	100	100	NA	N A	100	Nil	-	-	-	-	1,14, 59,10 5	1 0 0	
(B)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(C)	Non Prom oter - Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(C1)	Shares underl ying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(C2)	Shares held by Emplo yee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Total	1	1,14, 59,10 5	Nil	Nil	1,14, 59,10 5	100	100	NA	N A	100	Nil	-	-	-	-	1,14, 59,10 5	1 0 0	

Table II - Statement Showing shareholding pattern of the Promoter and Promoter Group as on September 02, 2021

	Category & Name of the Shareholders (I)	P A N (II)	Nos. of share holder s (III)	No. of full y paid up equit y share s held (IV)	Partly paid-up equit y share s held (V)	Nos. of share s underlyin g Depositor y Recei pts (VI)	Total nos.s hares held (VII)= (IV)+(V)+(VI)	Share holdin g % calculat ed as per SCRR. 1957) As a % of (A+B+ C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of share s Underlyin g outst andin g conve rtible securit ies (includi ng Warra nts) (X)	Share holdin g as a % assumi ng full conver sion of conver tible securit ies (as a percenta ge of diluted share capital) (XI)=(V II)+(X) As a % of A+B+ C2)	Number of Locked in share s (XII)		Number of share s pledged or otherw ise encumb ered (XIII)		Numbe r of equity share s held in demate rialized form (XIV)
									No of Voting Rights			Tot al as a % of Tot al Vo tin g rig hts			N o . (a)	As a % of tot al share s held (b)	N o . (a)	As a % of tot al share s held (b)	
									Cl as s x	Cl as s y	Tot al								
1	Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a	Individuals/Hindu undivided Family	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Central Governm ent/State Governm ent(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Financial Institution s/Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total = (A1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Foreign																		
a	Individual s (Non-Resident Individual s/Foreign Individual s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Governm ent	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Institution s	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

d	Foreign Portfolio Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total = (A2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Table III - Statement Showing shareholding pattern of Public Shareholders as on September 02, 2021																			
	Category & Name of the Shareholders (I)	PAN (II)	Nos. of share holders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos.s shares held (VII)= (IV)+(V)+(VI)	Share holding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying outstanding convertible securities (including Warrants) (X)	Share holding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) =(VI)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
									Class x	Class y	Total								
1	Institutions	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
a	Mutual Funds / UTI	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

b	Venture Capital Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
c	Alternate Investment Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
d	Foreign Venture Capital Investors	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
e	Foreign Portfolio Investors	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
f	Financial Institutions / Banks	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
g	Insurance Companies	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
h	Provident Funds / Pension Funds	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
i	Any Other (specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Sub Total = (B1)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Central Government / State Government(s) / President of India	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3	Non-Institutions	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
a	Individuals -	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	i. Individual share holders holding nominal share capital upto Rs.2 lakhs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	ii. Individual share holders holding nominal share capital in excess of Rs.2 lakhs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
b	NBFCs registered with RBI	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
c	Employee Trusts	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
d	Overseas Depositories (holding DRs) (balancing figure)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
e	Other Bodies Corporate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Sub Total = (B2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

	Total Public Shareholding (B)=(B)(1)+(B)(2)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Table IV - Statement Showing shareholding pattern of the Non Promoter - Non Public shareholder as on September 02, 2021																			
	Category & Name of the Shareholders (I)	PAN (II)	No of shareholder s (III)	No. of fully paid up equity shar es held (IV)	Partl y paid -up equi ty shar es held (V)	Nos. of share s under lying Depo sitory Recei pts (VI)	Total nos.s hares held (VII)=(IV)+(V)+(VI)	Share holdin g % calcul ated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No of sha res Unde rlyin g out sta ndin g con vert ible sec uriti es (inc ludi ng Wa rra nts) (X)	Total Shareho ldin g as a % assum ing full con vers ion of con verti ble sec uriti es (as a perc enta ge of dilut ed shar e capi tal) (XI)=(VI)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumber ed (XIII)		Num ber of equit y shar es held in dem ateri alize d form (XIV)
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shar es held (b)	No. (Not applica ble) (a)	As a % of tota l sha res held (Not applica ble) (b)	
									Class x	Class y	Total								
1	Custodian / DR Holder	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total Non Promoter - Non Public Shareholding (C)=(C)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

$$\frac{(1)+(C)}{2}$$

List of Top 10 holders of Equity Shares of the Company as on September 02, 2021

Sr. No.	Name of Shareholders	No. of Equity Shares held	No of Shares in Demat form	% of Share Holding
1	Edelweiss Securities Limited(ESL)*	1,14,59,105	1,14,59,105	100
	Total	1,14,59,105	1,14,59,105	100

* including 6 shares held by nominees.

e(a) BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY:

Director Name	About Director
Mr. Ramesh Abhishek	Mr. Abhishek has a Master's Degree in Business Administration in Finance and a Master's in Public Administration from the Harvard Kennedy School. In 1982, Mr. Abhishek joined the Indian Administrative Service, Bihar Cadre and was also the Chairman of the Forwards Markets Commission from August 2011 to August 2015. Mr. Abhishek worked in various capacities across the civil services including serving as a district magistrate in Bihar, a director in the Ministry of Food Processing Industries and as a secretary in the Department for Promotion of Industry and Internal Trade.
Mr. Pankaj Razdan	Mr. Razdan has done B.Sc. (Electronics) from SP College, Pune University, B.Sc (Technology), Bombay University, WIEECT, Bombay and Management Development Program from the Indian Institute of Management, Ahmedabad. Mr. Razdan has over 25 years of experience in the financial services sector and is the former managing director of Aditya Birla Sun Life Insurance and the deputy CEO of Aditya Birla Capital.
Mr. Nikhil Srivastava	Mr. Srivastava has a Bachelor's degree in Electrical Engineering from the Birla Institute of Technology and Science (BITS) Pilani, a Master's degree in Electrical Engineering from Stanford University and an MBA from Harvard Business School. Mr. Srivastava joined PAG in April 2019 and is the Managing Director and head of India Private Equity at PAG. Prior to joining PAG, Mr. Srivastava has almost a decade of experience at Kohlberg, Kravis and Roberts, with a breadth of global experience where he has evaluated a wide range of investment opportunities across India, Singapore and the United States, and additionally was the head of KKR's special situations and healthcare private equity group in India. Mr. Srivastava has also worked at Goldman Sachs and Co. Inphi Corporation in California.
Mr. Kunnasagaran Chinniah	Mr. Kunnasagaran Chinniah has more than three decades of experience in the financial sector. He is presently an Independent Director on the Board of Edelweiss Financial Services Limited, the holding company, Edelweiss Securities Limited, the holding company, and Director of Changi Airport International, Keppel Infrastructure Trust, Azzela Asset Management, Hindu Endowments Board, Singapore and several other companies. Earlier, Mr. Chinniah retired as the Managing Director/Global Head of Portfolio, Strategy & Risk Group with GIC Special Investments (GICSI), the Private Equity arm of the Government of Singapore Investment Corporation (GIC). He joined GIC in 1989 and has held various positions with the Special Investments Department of GIC in their North American, European and Asian regions. Mr. Chinniah is a Chartered Financial Analyst and his other academic qualifications include

	a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.
Ms. Anisha Motwani	Ms. Motwani serves as an Independent Director on the board of some leading organizations. Ms. Motwani is a multi-faceted business leader & draws from her rich experience of over 30 years in diverse industries – FMCG, automobiles, financial & health services. After a successful 25 year corporate career, Ms. Motwani founded StormTheNorm venture in 2015, a company specializing in Brand, Digital & Innovation Projects. Ms. Motwani brings in new perspectives on how businesses can challenge the conventional norms & storm them in a way that will help them re-wire to succeed in a disruptive world. Ms. Motwani is the author of Storm the Norm – first-of-its-kind collection of 20 contemporary stories of truly inspiring businesses and brands from India that either wrote or rewrote the norms of their respective industries and brought in unprecedented change and vibrancy.
Ms. Kamala Kantharaj	Ms. Kamala K. is a qualified Chartered Accountant and has rich and varied experience of more than 28 years in the field of corporate laws, securities laws and corporate governance in financial services sector. Ms. Kamala K. has been associated with Edelweiss group since 2016 as Group Chief Compliance & Governance Officer and prior to that, she was associated with National Stock Exchange of India (NSE) as Head – Regulatory Compliance.

(b) NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON SEPTEMBER 02, 2021:

Sr. No.	Name, Designation, DIN, Nationality, Occupation and Address	Age (Years)	Date of Appointment	Other Directorships	Whether willful defaulter (Yes/No)
1.	Mr. Ramesh Abhishek Designation: Non-executive Director DIN: 07452293 Nationality: Indian Occupation: Service Address: 72, Ground Floor, E Block, Greater Kailash Part 2, New Delhi – 110 048	61	26/03/2021	1. Cyient Limited 2. Edelweiss Capital Services Limited 3. Edelweiss Securities Limited 4. Paras Healthcare Private Limited	No
2.	Mr. Pankaj Razdan Designation: Non-executive Director DIN: 00061240 Nationality: Indian Occupation: Professional Address: Plot No. 301 & 302, Pinnaacle D'Dreams, JVPD Scheme, Juhu, Mumbai – 400 049	52	26/03/2021	1. Edelweiss Capital Services Limited 2. Edelweiss Securities Limited 3. Edelweiss Broking Limited 4. ESL Securities Limited 5. Edelweiss Securities (IFSC) Limited 6.	No

3.	Mr. Nikhil Srivastava Designation: Non-Executive Director DIN: 07308617 Nationality: Indian Occupation: Service Address: B 2601, Omkar 1973, Worli Colony, Worli, Mumbai – 400030	43	26/03/2021	1. Anjan Drug Private Limited 2. Novaair Technologies Private Limited 3. Novaair Private Limited 4. PAGAC Advisors India Private Limited 5. Sekhmet Pharmaventures Private Limited 6. Edelweiss Global Wealth Management Limited 7. Edelweiss Securities Limited.	No
4.	Mr. Kunnasagaran Chinniah Designation: Independent Director DIN: 01590108 Nationality: Singapore Occupation: Service Address: 12, Countryside Grove, Singapore Singapore City 789967	64	10/06/2021	1. Nirlon Limited 2. Edelweiss Financial Services Limited 3. Edelweiss Rural & Corporate Services Limited 4. ECL Finance Limited 5. Edelweiss Tokio Life Insurance Company Limited and 6. Edelweiss Securities Limited 7. Edelweiss Capital (Singapore) Pte. Ltd. 8. Changi Airport International Pte. Ltd. 9. Keppel Infrastructure Fund Management Pte Ltd. 10. Azalea Asset Management Pte. Ltd 11. Astrea III Pte. Ltd. 12. Astrea IV Pte Ltd 13. Astrea V Pte Ltd 14. Ascendas Funds Management(S) Pte Ltd 15. Astrea VI Pte Ltd	No

5.	Ms. Anisha Motwani Designation: Independent Director DIN: 06943493 Nationality: Indian Occupation: Service Address: Block No.8, House No. 24, South Patel Nagar, Delhi - 110008	58	10/06/2021	1. Prataap Snacks Limited 2. Welspun India Limited 3. Abbott India Limited 4. Angel Broking Limited 5. Somany Home Innovation Limited 6. L & T Investment Management Limited 7. Dvara Kshetriya Gramin Financialservices Private Limited; and 8. Star Health And Allied Insurance Company Limited 9. Edelweiss Securities Limited	No
6.	Ms. Kamala Kantharaj Designation: Non- Executive Director DIN: 07917801 Nationality: Indian Occupation: Professional Address: 5402 Tower 5, Crescent Bay, Parel, Mumbai - 400012.	55	29/06/2021	1. Edelweiss General Insurance Company Limited 2. Edelweiss Tokio Life Insurance Company Limited 3. Edelweiss Alternative Asset Advisors Limited 4. Edelweiss Trusteeship Company Limited	No

(c) Details of change in directors in last three years:

Name	Designation	DIN	Date of Appointment	Date of Change in Designation	Date of Resignation, if applicable	Date of Cessation, if applicable	Director of the Company since	Remarks
Mr. Venkatchalam Ramaswamy	Non-executive Director	00008509	NA	NA	July 7, 2021	July 7, 2021	November 1, 2013	Resignation
Ms. Kamala Kantharaj	Non-executive Director	07917801	June 29, 2021	NA	NA		June 29, 2021	Appointment
Mr. Kunnasagaran Chinniah	Independent Director	01590108	June 10, 2021	NA	NA		June 10, 2021	Appointment
Ms. Anisha Motwani	Independent Director	06943493	June 10, 2021	NA	NA		June 10, 2021	Appointment
Mr. Ramesh Abhishek	Non-executive Director	07452293	March 26, 2021	NA	NA		March 26, 2021	Appointment

Mr. Pankaj Razdan	Non-executive Director	00061240	March 26, 2021	NA	NA		March 26, 2021	Appointment
Mr. Nikhil Srivastava	Non-executive Director	07308617	March 26, 2021	NA	NA		March 26, 2021	Appointment
Mr. S Ranganathan	Non-executive Director	00125493	NA	NA	March 26, 2021	March 26, 2021	January 24, 2013	Resignation
Ms. Shabnam Panjwani	Non-executive Director	02057371	NA	NA	March 26, 2021	March 26, 2021	March 20, 2015	Resignation
Mr. Kunnasagaran Chinniah	Independent Director	01590108	NA	NA	March 16, 2021	March 16, 2021	December 13, 2019	Resignation
Mr. P.N. Venkatchalam	Independent Director	00499442	NA	NA	March 16, 2021	March 16, 2021	July 14, 2008	Resignation
Mr. Kunnasagaran Chinniah	Independent Director	01590108	December 13, 2019	NA	NA		December 13, 2019	Appointment
Mr. Venkatchalam Ramaswamy	Executive Director to Non-executive Director	00008509	NA	August 12, 2019	NA		November 1, 2013	Change in designation
Mr. Ajay Manglunia	Non-Executive Director	02861202	NA	NA	April 11, 2019	April 11, 2019	July 5, 2017	Resignation
Mr. S. Ranganathan	Executive Director to Non-executive Director	00125493	NA	August 1, 2020	NA	NA	January 24, 2013	Change in designation

Debenture holding of Directors:

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

4. DETAILS OF AUDITORS OF THE COMPANY

(a) Details of the auditors of the Company

Name	Address	Auditor since
S.R. Batliboi & Co. LLP Chartered Accountants	12th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028, Maharashtra India.	July 20, 2018

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

(ii) Name	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
B S R & Associates LLP, Chartered Accountants	Lodha Excelus, 5 th Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400 011, Maharashtra, India.	September 22, 2006	July 20, 2017	NA
Price Waterhouse Chartered Accountants LLP	252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028, Maharashtra, India	July 20, 2017	May 22, 2018	May 22, 2018
S. R. Batliboi & Co. LLP	12 th Floor, The Ruby, 29,	May 23, 2018	NA	NA

	Senapati Bapat Marg, Dadar (West), Mumbai - 400 028, Maharashtra, India			

14. DETAILS OF LIABILITIES OF THE COMPANY AS ON JUNE 30, 2021

(a) Details of Outstanding Secured Loan Facilities :

Lender's name	Type of facility	Amount Sanctioned (in Rs. Crore)	Principal amount outstanding (in Rs.Crs) *	Repayment Date / Schedule	Security
Non-Convertible Debenture	Secured, redeemable, Non-Convertible Debentures	-----	48.25 35.15 84.54 53.97	05 th August, 2020 05 th Feb, 2023 05 th Feb, 2025 05 th Feb, 2030	For the redemption and payment of the Principal amount of debenture the company shall by way of separate deed of Hypothecation, create first Pari passu charge on current asset and future short term and long term receivables, stock in trade and other current asset of the company, excluding intangible asset for the issue.
Non-Convertible Debenture	Secured, redeemable, Non-Convertible Debentures	-----	629.85	-----	The debentures are secured by way of a pari passu mortgage over the immovable property and a charge on the present and future receivables, loans, securities, investments and other financial assets to the extent equal to the principal and interest amounts of the Debentures outstanding
Non-Convertible Debenture	Secured, redeemable, Non-Convertible Debentures	-----	34.88	-----	The Debentures are secured by way of an exclusive charge over the Hypothecated Properties and pari passu charge over the Mortgaged Properties ranking pari passu with other lenders/debenture holders, in favour of the Trustee, for the benefit of the Debentureholders. For

					avoidance of doubt, it is hereby clarified that the charge on the Receivables shall be in the nature of a floating charge and notwithstanding anything stated herein, the Company shall be entitled to deal with the Receivables in the ordinary course of its business, provided no Event of Default is subsisting.
Non-Convertible Debenture	Secured, redeemable, NonConvertible Debentures	-----	111.95	-----	The Debentures are secured by way of an exclusive charge over the Hypothecated Properties, in favour of the Trustee, for the benefit of the Debentureholders. For avoidance of doubt, it is hereby clarified that the charge on the Receivables shall be in the nature of a floating charge and notwithstanding anything stated herein, the Company shall be entitled to deal with the Receivables in the ordinary course of its business, provided no Event of Default is subsisting.
Non-Convertible Debenture	Secured, redeemable, Non-Convertible Debentures	-----	113.60	-----	The Debentures are secured by way of an exclusive charge over the Hypothecated Properties, in favour of the Trustee, for the benefit of the Debentureholders. For avoidance of doubt, it is hereby clarified that the charge on the Receivables shall be in the nature of a floating charge and notwithstanding anything stated herein,

					the Company shall be entitled to deal with the Receivables in the ordinary course of its business, provided no Event of Default is subsisting.
Total			1112.19		

(b) Details of Outstanding Unsecured Loan Facilities :

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding Rs.in Crs)	Repayment Date / Schedule
Loan from Group Company			335.50	Repayable on demand
Subordinated Liabilities- Preference Shares			13.98	The Preference Shares were allotted on July 19, 2013. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.
Total			15.84	

(c) Details of Outstanding Non Convertible Securities: Refer Annexure 2

(d) List of Top 10 Debentureholders in terms of value (in cumulative basis) as on June 30, 2021:

(Amount in Rs Crores)

Sr. No	Name	Amount	% of total Non-Convertible Debentures Outstanding
1	NAVI FINSERV PRIVATE LIMITED	125.00	10.95
2	MORDE FOODS PRIVATE LIMITED	124.75	10.93
3	BIOSTADT INDIA LIMITED	16.35	1.43
4	ASHUTOSH VINAYAK JOSHI	15.00	1.31
5	NARESH BHAVANJI SHAH	15.00	1.31
6	VMSALGAOCAR CORPORATION PRIVATE LIMITED	13.37	1.17
7	DIPTI DATTARAJ SALGAOCAR	12.00	1.05
8	BANDA REAL ESTATE PRIVATE LIMITED	10.90	0.95
9	SHANKARANARAYANA INDUSTRIES AND PLANTATION PVT LTD	10.68	0.94
10	BALANADU NARAYAN	10.50	0.92

(e) Details of outstanding Commercial Paper as on June 30, 2021

(Rs. in Crores)

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount Outstanding
Nil	Nil	Nil	Nil

(f) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2021:

Name of Party (in case of facility)/ Name of Instrument	Type of facility / Instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security
Preference Share	Cumulative Redeemable Preference Share		13.98	The Preference Shares were allotted on July 19, 2013. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.		Unsecured	Preference Share

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

As on June 30, 2021, the Issuer has not issued any debt securities or has any outstanding borrowings in consideration other than cash (a)in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option or not.

15. Disclosures on Asset Liability Management as per the latest Audited Financial Statements

(h) Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC

a. **Lending Policy** – Refer Annexure 7

b. **Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc** – Refer Note No. 39 for Related Party Transactions of Audited Financial Statements for the Financial Year ended March 31, 2021

c. **Classification of loans into several maturity profile denomination**

Details of loans outstanding by ticket size* as on March 31, 2021

Sr.No.	Ticket Size (at the time of origination)	Percentage of AUM
1	Upto Rs. 2 lakh	0.09%
2	Rs. 2-5 lakh	0.30%
3	Rs. 5-10 lakh	0.73%
4	Rs. 10-25 lakh	2.44%

5	Rs. 25- 50 lakh	4.78%
6	Rs. 50 lakh – 1 crore	7.91%
7	Rs. 1 - 5 crore	21.51%
8	Rs. 5 – 25 crore	17.99%
9	Rs. 25-100 crore	29.09%
10	>Rs.100 crore	15.16%
	Total	100.00%

*Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);

AUM consider as Loan Book as on March 31, 2021

- d. Aggregated exposure to top 20 borrowers with respect to the concentration of advances, exposures disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time as on March 31, 2021

Amount in Millions

Particulars	Amount
Total advances to twenty largest borrowers	7,916.50
Percentage of advances to twenty largest borrowers to total advances to our Company	55.90%

- e. Details of loans, overdue and classified as Non performing assets (NPA)
Movement of Gross NPA

Movement of Gross NPA*	Rs. in Millions
Opening Gross NPA	
- Additions during the year	13.93
- Reductions during the year	13.93
Closing balance of gross NPA	

*Please indicate the gross NPA recognition policy (Day's Past Due)

Movement of provisions for NPA

Movement of provisions for NPA	Rs. Crore
Opening Balance	0.00
-Provisions made during the year	1.39
-Write off/write back of excess provisions	1.39
Closing balance	0.00

(ii) Details of borrowings made by NBFC

- a. Portfolio Summary of borrowings made by NBFC as on March 31, 2021

Particulars	Amount outstanding In Millions
Market Linked Debenture	8003.62
Public Issue - NCD	2210.05
Loan from Group Company	3363.86

Preference Share	160.00
Total	13737.53

b. Quantum and percentage of Secured vs. Unsecured borrowings as on March 31, 2021.

Sr.No.	Types of Borrowing	% of Total Borrowing
1	Secured	74.35%
2	Unsecured	25.65%
	Total	100%

(iii) Details of change in shareholding

- a. Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India – Nil

(iv) Disclosure of Assets under management - Segment wise break up and Type of loans as March 31, 2021

Sr.No.	Segment-wise breakup of AUM	Percentage of AUM
1	Retail	Nil
A	Mortgages (home loans and loans against property)	Nil
B	Gold Loans	Nil
C	Vehicle Finance	Nil
D	MFI	Nil
E	MSME	Nil
F	Capital market funding (loans against shares, margin funding)	80%
G	Others	5%
2	Wholesale	Nil
A	Infrastructure	Nil
B	Real estate (including builder loans)	Nil
C	Promoter funding	Nil
D	Any other sector (as applicable)	Nil
E	Others	15%
	Total	100%

Sr.No.	Types of Loans	Rs. In Millions
1	Secured	11354.10
2	Unsecured	2881.05
	Total Assets under Management (AUM)* ^	14235.15

Information required at borrower level (and not by loan account as customer may have multiple loan accounts);

^Issuer is also required to disclose off balance sheet items;

(v) Details of borrowers – Geographical Location Wise as on March 31, 2021

Sr.No.	Top 5 States	Percentage of AUM
1	Maharashtra	46.10%
2	Delhi	11.51%
3	West Bengal	9.12%
4	Karnataka	7.93%
5	Telangana	7.86%

(vi) Details of Gross NPA - Segment wise as on March 31, 2021

Sr.No.	Segment-wise gross NPA	Gross NPA (%)
1	Retail	Nil
A	Mortgages (home loans and loans against property)	Nil
B	Gold Loans	Nil
C	Vehicle Finance	Nil
D	MFI	Nil
E	MSME	Nil
F	Capital market funding (loans against shares, margin funding)	Nil
G	Others	Nil
2	Wholesale	Nil
A	Infrastructure	Nil
B	Real estate (including builder loans)	Nil
C	Promoter funding	Nil
D	Any other sector (as applicable)	Nil
E	Others	Nil
	Total	Nil

(vii) Details of Assets and Liabilities –

Residual maturity profile wise into several bucket as on March 31, 2021

Category	Upto to 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 year– 3 years	>3 years– 6 years	> 5 years	Total
Deposit									
Advances	4,544.67	543.10	1,148.53	1,329.55	6,538.57	-	-	-	14,104.44
Investments	2,074.37	-	-	-	-	-	-	-	2,074.37
Borrowings	3,453.45	51.36	525.23	1,827.78	2,160.93	3,168.30	812.59	1,737.89	13,737.53
FCA*									

*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;

(viii) Disclosure of latest ALM statements to stock exchange – Not Applicable

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

INDIRECT TAX

Listing of Indirect tax litigation for EFSL:

Name of the Company	Period	Nature	Court/Authority	Appealed by Whom	Subject Matter	Amount (Rs.)

Edelweiss Financial Services Limited	2009-10 June 2012	Levy of Service Tax on Rating Fees received from Subsidiary Companies	CESTAT, Mumbai	Assessee	Levy of Service Tax on Rating Fees received from Subsidiary Companies	43,07,54,308
Edelweiss Financial Services Limited	2009-10 upto June 2012	Reversal of Cenvat Credit under Rule 6(3) of Cenvat Credit Rules, 2004 treating exempted Rating Support Services received from Subsidiary Companies as exempted.	CESTAT, Mumbai	Department	Reversal of Cenvat Credit under Rule 6(3) of Cenvat Credit Rules, 2004 treating exempted Rating Support Services received from Subsidiary Companies as exempted	11,97,54,527
Edelweiss Financial Services Limited	Oct 2010 to Mar 2015	Taxability on Issuance of Corporate Guarantee to Overseas as well as Indian Subsidiaries	CESTAT, Mumbai	Department	Taxability on Issuance of Corporate Guarantee to Overseas as well as Indian subsidiaries	97,95,62,947

DIRECT TAX:

Listing of Direct Tax Litigation for EFSL where the tax liability is exceeding Rs.10 Crores per appeal

Entity	Assessment Year	Pending before	Appealed by	Issue under Appeal	Brief Issue	Amount under Dispute (in Rs.)	Tax effect on dispute (in Rs.)
Edelweiss Financial Services Limited	2009-10	High Court	Income Tax Department	Others – 36(i)(iii)	Sec 36(1)(iii)	98,09,253	33,34,165
Edelweiss Financial Services Limited	2009-10	High Court	Income Tax Department	Disallowance u/s 14A	14A	35,12,67,777	11,93,95,917
Edelweiss Financial Services Limited	2010-11	High Court	Income Tax Department	Other – 36(i)(iii)	Sec 36(1)(iii)	12,02,45,776	4,08,71,539
Edelweiss Financial	2010-11	High Court	Income Tax Department	Disallowance u/s 14A	14A	52,53,82,600	17,85,77,546

Services Limited							

(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 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.

Name	Forum	Facts in brief	Approximate value
Director of Enforcement, Govt. of India Jalandhar	Provisional attachment order	EFSL has been served with provisional attachment order dated May 18, 2020 from the office of the Director of Enforcement, Government of India Jalandhar, under various provisions of Prevention of Money Laundering Act, 2002 ("PMLA") against the immovable properties and investments of Kuldeep Singh, Vikram Seth and others, based on first information report dated January 15, 2015 ("FIR") by Central Bureau of Investigation, Anti-Corruption Bureau, Chandigarh against these individuals under the various provisions of the Indian Penal Code, 1860 such as criminal conspiracy, cheating, forgery of valuable security for the purpose of cheating, etc. alleging siphoning off of about ₹213.10 million from Bank of Baroda, Phagwara Branch. EFSL has been served show cause notice dated July 10, 2020 under Section 8 of PMLA, from the Registrar/Administrative Officer, New Delhi based on complaint filed by Deputy Director of Enforcement, Jalandhar, Punjab on June 15, 2020 under sub-section (5) of Section 5 of PMLA <i>inter-alia</i> inquiring about source of income, earning or assets by means of which our Company acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents. On 15.01.2021, EFSL filed its submission for misjoinder of EFSL as party to the proceedings. The matter is currently pending for final arguments.	INR 1.83 crores

(b) Details of default and non-payment of statutory dues. NIL

(c) Debenture Trustee:

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

SBICAP Trustee Company 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 9

18. Corporate Guarantee or Letter of Comfort or any other document/letter with same intent - None

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

- Day Count Convention** – As specified in Summary Term Sheet
- Procedure and time schedule for allotment and issue of securities**

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

Please refer Summary Term Sheet for time schedule for allotment and issue of securities

c. **Cash flows emanating from the non-convertible securities** – As specified in Summary Term Sheet

20. Disclosures pertaining to wilful defaulter

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

21. Undertaking by the Issuer

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

22. 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 EFIL 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 EFIL. 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 (applicable to market linked product):

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 borrowings through NCDs the following Rating has been assigned –

CRISIL Limited - CRISIL PP-MLD AA-r/Negative (pronounced as CRISIL PP-MLD double A - r rating with Negative outlook)

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.

23. EXTERNAL RISK FACTORS

a. Risks in relation to Non-Convertible Debentures

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

b. Risks in relation to the security created in relation to the debt securities, if any.

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

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

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

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

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

For investments by FIIs / FII/sub-accounts of FIIs

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

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 read with Chapter VII of SEBI Operational circular dated August 10, 2021 for Standardization of timeline for listing of securities issued on a private placement basis in respect of FII investment in 'to be listed' debt securities, Issuer confirms that the Debentures would be listed within 4 trading days from the date of closure of issue. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 4 trading days from the date of closure of issue to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs 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

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. 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.

g. 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.

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

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

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

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

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

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

j. If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement

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/ies, (b) finding willing buyer for the security at a price sufficient to

repay debenture holder(s)' amounts outstanding under the debentures. (c) The value realized from the enforcement of the security may be insufficient to redeem the debentures.

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.

k. 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.

l. 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 was further extended to 30 October 2020 across the country. While the national lockdown has been relaxed, each State government has set out extension of the lockdown but the relaxations (outside containment zones) have been permitted to a certain extent, subject to receipt of requisite approvals as may be required.

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

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

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

24. Other details

(a) Debenture Redemption Reserve

The Debenture Redemption Reserve shall be as per the provisions of the Companies Act, 2013 and the applicable

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

(c) Default in Payment

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.

(d) Delay in Listing

• For FPIs /FIIs./sub-accounts of FIIs

The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 4 trading days from the date of closure of issue pursuant to Chapter VII of SEBI Operational circular dated August 10, 2021 for Standardization of timeline for listing of securities issued on a private placement basis

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

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

The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 4 trading days from the Date of Closure of Issue.

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

(d) Delay in allotment of securities

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

(e) Issue details

As specified in the Summary Term Sheet

(f) Application Process for the Debentures

How to Apply

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

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

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

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

Who can Apply

Nothing in this 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
- 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/bye-laws/trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories; Application made by an Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

Application by FPIs / FII's / sub accounts of FII's

The application should be accompanied by all documents required in case of investments to be made by such FPIs / FII's / sub accounts of FII's including (i) approval, if any from Reserve Bank of India / SEBI; (ii) self attested copy of PAN; (iii) SEBI registration certificate (including of the sub-account of FII); FPIs / FII's / sub accounts of FII's, (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, (vii) demat statement, (viii) financials for the past 2 years and (ix) 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 respective Redemption Date/s as mentioned in summary term sheet.

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

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

Right to Re-purchase and Re-issue the Debentures

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

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

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

Right to partially/early redeem the Debentures

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

Right to further issue the Debentures

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

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

Place, Currency and Mode of Payment

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

Issue of Debentures in Dematerialised Form

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

Succession

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing

in the name of the demised Debenture holder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable law. Further, the successor may approach relevant depository participant to get the debenture transferred to its name. Such depository participant may ask for additional documents.

Notices

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

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

Rights of Debenture holders

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

Modifications of Rights

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated upon a Special Request or by a Special Resolution duly passed at the meeting of the Debentureholders convened in accordance with the provisions 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 SBICAP Trustee Company 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 SBICAP Trustee Company 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"), ICRA Limited ("ICRA") and CARE Risk Solutions Private Limited. 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://edelweissinvestment.edelweissfin.com/investor-relations/> and on the website of the Valuation Agency within 7 Working Days from Deemed Date of Allotment. Upon request by any Debenture Holder for the value of the Debentures, the Issuer shall arrange to provide the same. The Company reserves the right to change the Valuation Agent at its sole and absolute discretion, during the tenure of the Debentures without giving any reasons or prior notice to the Debenture holders. The Issuer shall inform about such change as and when it occurs to the Debenture holders.

Anti Money Laundering

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

Delay in Registration of Debenture Trust Deed:

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

- (g) i. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon – Nil

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

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

Sr. No.	Name of the Director	March 31, 2019 (Rs.)	March 31, 2020 (Rs.)	March 31, 2021 (Rs.)	Particulars
1.	Mr. Venkatchalam Ramaswamy	93,97,368	94,26,498	-	Director Remuneration
2.	Mr. Subramanian Ranganathan	-	-	-	Director Remuneration
3.	Mr. P N Venkatachalam	3,20,000	2,60,000	3,20,000	Sitting Fees
4.	Ms. Shabnam Panjwani	-	--	--	Director Remuneration
5.	Mr. Kunnasagaran Chinniah	-	--	2,60,000	Sitting Fees
6.	Mr. Ramesh Abhishek	-	--	--	Director Remuneration
7.	Mr. Pankaj Razdan	-	--	--	Director Remuneration
8.	Mr. Nikhil Srivastava	-	--	--	Director Remuneration

* Appointed w.e.f. March 26, 2021

ii. 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 4, 5 and 6.

iii. 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

iv. 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

v. 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

vi. 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

vii. 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 4,5 and 6.

viii. 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 on equity share capital, Dividend paid on Preference share capital amounting Rs. 3.03Cr. (Dividend) and Rs. 0.31 Cr. TDS paid thereon for FY 2019-20. Also company has redeemed 1,09,73,000 numbers of Preference share at the rate Rs.15 per share along with dividend payment of Rs. 0.31 cr and TDS payment of Rs. 0.02 cr for the Period 1st April, 2020 to 11th June, 2020.

ix. Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter. Refer Annexure 4, 5 and 6.

x. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

The Company prepared financial statements as per Ind AS for the first time for the year ended March 31, 2019. The impact of first time adoption of Ind AS on net-worth and profit and loss account is quantified in note 40 of the annual financial statements.

(h) Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project
 Not Applicable

(i) 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 3

25. Distribution Fees:

The Issuer will pay the distributor a distribution fee which shall not exceed 1.35 % of the Principal Amount

26. 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. **(Applicable Only in case of Market Linked Product)**

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

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

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

the Debentures, or (B) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions or the Debentures.

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

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

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

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

27. 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, applicable only in case of market linked product.
 - (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 event may not constitute early redemption event at Issuer discretion, applicable only in case of market linked product
- (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) In case of Listed Debentures, the sale and transfer of the Debentures shall be effected in accordance with the rules, regulations and bye-laws of the Stock Exchange and in case of Unlisted Debentures the sale and transfer of the Debentures shall be effected in accordance with the rules, regulations and bye-laws of Depositories and under the provisions of Companies Act, 2013.
- (L) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder, or its assets;
- (M) where the Debenture holder is a partnership firm
- (i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;
 - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;
 - (iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;
 - (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and
 - (v) for any Hindu Undivided Family ("HUF") that may be partner, the Karta declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF; and
- (N) where the Debenture holder is a company, also confirms that:
- (i) notwithstanding the variable nature of the return on the Debentures, the Debenture holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 2013 and its Rules, from investing in the Debentures;
 - (ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture holder has corporate ability and authority, to invest in the Debentures; and
 - (iii) investment in the Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder or the Debenture holder's assets.
- (O) where there is an intermediary who sells the Debentures and/or invests in the Debentures on behalf of its Clients/investor(s) ("Intermediary"), it also confirms that :
- (i) it is registered with SEBI;
 - (ii) it is fully in compliance with the laws and regulations applicable to it including the Chapter X of SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, the Prevention of Money Laundering Act, 2002 ("PML Act"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("PML Rules"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the SEBI ("AML Guidelines") together with the PML Act and the PML Rules, the "AML Laws & Rules", all applicable know-your-client norms ("KYC Guidelines") and all applicable rules,

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

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

The Intermediary confirms that the marketing material shall only contain information that is provided in this 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 sub-account shall not exceed individual debt limits allocated as per applicable rules, regulations, guidelines from time to time.

Potential Conflicts of Interest

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

28. 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 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.

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

Past performance is not indicative of future performance. Investment in the Debentures may be subject to the risk of loss, meaning the Debenture holder may lose some or all of its investment especially where changes in the value of the transaction may be accentuated by leverage. Even where the Debentures are principal protected, there is a risk that

any failure by a person including a counterparty to perform obligations when due may result in the loss of all or part of the investment. Applicants are not being offered any guaranteed or indicative returns through these Debentures.

No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this 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 there from. Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

Stock Exchange Disclaimer Clause

It is to be distinctly understood that filing of this 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.

Below Disclaimers applicable only in case of Market Linked Product

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

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

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

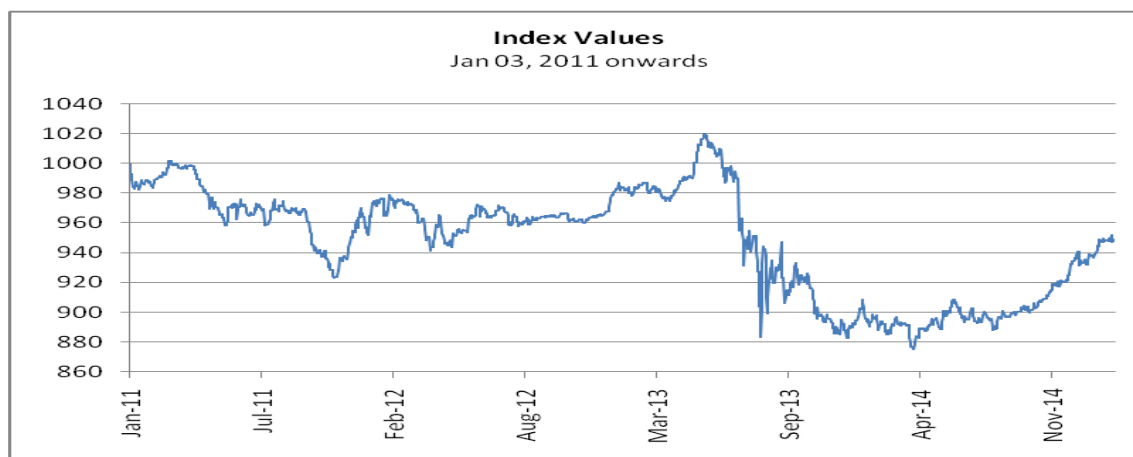
- NSE Indices Limited , a subsidiary of NSE was setup in May 1998 to create and manage indices for NSE and its participants
- NSE Indices Limited maintains over 80 equity indices comprising broad-based benchmark indices, sectoral indices
- They manage the most popular and most traded indices on Indian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

INDEX METHODOLOGY:

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

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

Historical Performance



FOR NIFTY BANK LINKED DEBENTURES:

Disclaimer by NSE Indices Limited

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

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FOR NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX:**Disclaimer by NSE INDICES LIMITED**

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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. 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 represents or warranties or ensures of accuracy or completeness, timeliness, reliability, fitness for a particular purpose or merchantability of any part of the underlying G-Sec price.
6. In no event shall the company be liable for any loss, cost or damage arising out of or related to the access or use of any part of the underlying G-Sec price.
7. Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the underlying G-Sec Price or the Issuer's obligations under this 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.



29. SUMMARY TERM SHEET FOR I3I102A

Issuer	EDELWEISS FINANCE & INVESTMENTS LIMITED
Debenture Trustee	SBICAP Trustee Company Limited
Security Name	EFIL – Secured Market Linked Non Convertible Debentures
Product Code	I3I102
Option	A
Date of passing of Board Resolution	February 10,2021
Date of passing of resolution in general meeting	February 12,2021
Type of Instrument	Principal Protected - Market Linked Redeemable Non- convertible Debenture
Nature of Instrument	Secured
Seniority	Senior
Principal Protection	Principal is protected at maturity
Underlying/ Reference Index	GOVERNMENT SECURITY: 5.77% GS 2030 HAVING ISIN: IN0020200153 MATURING ON “03-AUG-2030”
Mode of Issue	Private Placement
Option to retain oversubscription (Amount)	Not Applicable
Eligible Investors	The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures • Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds • FPIs /FII's/sub-accounts of FIIs • Any other investor eligible to invest in these Debentures
Issue Size	RS 750,000,000/-
Minimum application Size	1 Debentures bearing face value of Rs. 1,000,000/- each and in multiples of 1 Debenture(s) thereafter.
Investor Category I	Subscription amount being less than Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
Investor Category II	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. 1,000,000/- Per Debenture
Effective Price / Issue Price	Rs. 988,749/- Per Debenture
Justification of Issue Price	Not Applicable

The effective yield as a result of such discount	Please refer Pt 23 Under Annualized Return	
Discount at which Debenture is issued	11,251/- per debenture	
Tenor In Days	819 Days from the Deemed Date of Allotment	
Issue Opening Date	09-Sep-2021	
Issue Closing Date	09-Sep-2021	
Initial Fixing Date	09-Sep-2021	
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(s)	
Final Fixing Date	28-Sep-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(s)	
Redemption Date *	07-Dec-2023	
Redemption Value *	Face Value*(1+Coupon)	
Pay-in-Date	09-Sep-2021	
Deemed Date of Allotment	09-Sep-2021	
Underlying Performance	(Final Fixing Level / Initial Fixing Level) – 1	
Participation Rate: PR	NA	
Coupon *	Scenario	Coupon
	If Final Fixing Level <= 50% of InitialFixing Level	0.00%
	If Final Fixing Level > 50% of Initial FixingLevel	20.71%
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	Actual/Actual	
Observation Dates	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 the Coupon will be payable by the Company for the defaulting period.	
Proposed time schedule for which the Disclosure Document is valid	Till redemption	
Redemption Premium / Discount	Not Applicable	
Put Option	None	
Put Option Date	Not Applicable	
Put Option Price	Not Applicable	

Put Notification Time	Not Applicable
Call Option	None, except in the case of Early Redemption Option
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Call Option Yield	Not Applicable
Call Notification Time	Not applicable
Listing	<u>For FPIs /FIIs,/sub-accounts of FIIs</u> The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 4 trading days from the date of closure of issue pursuant to Chapter VII of SEBI Operational circular dated August 10, 2021 for Standardization of timeline for listing of securities issued on a private placement basis In case of delay in listing of the Debentures beyond 4 trading days from the date of closure of issue for any reason, then the FII/sub-account of FII shall immediately dispose of these Debentures either by way of sale to a third party or to the Company and the Company will be under an obligation to redeem the Debentures. <u>For applicants other than FPI/FIIs/sub-accounts of FIIs</u> The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 4 trading days from the Date of Closure of Issue. In case of delay in listing of the Debentures beyond 4 trading days from the Date of Closure of Issue, the Company will pay penal interest @1 % p.a. over the Coupon Rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing).
Issuance mode of Debenture	DEMAT form
Trading mode of the Debenture	DEMAT form only
Depository	NSDL and CDSL
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.	The Debentures shall be secured by way of a pari passu mortgage and charge over the Mortgaged Premises as defined in the Debenture Trust Deed; a charge by way of hypothecation on the present and future receivables, loans, securities, investments and other financial assets to the extent equal to the principal and interest amounts of the Debentures outstanding at any point of time. The Security was created pursuant to the Debenture Trust Deed dated November 21, 2019. Any assets over and above the required security cover i.e equal to 1x of the principal and interest amounts of the Debentures outstanding: - may be charged (on a specific charge or pari passu basis) with other creditors/ trustees; or - may be sold/ transferred; or assigned - may be securitized; or - may be part of any other legal transaction pertaining to the same;

	by the Issuer at its own discretion without requiring any further consent from the existing Debenture Holders and trustee. As per SEBI Circular for Creation of Security for issuance of listed debt securities and 'due diligence' by debenture trustee(s), Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and/or Registrar of Companies or CERSAI or Depository, etc, as applicable, or is independently verifiable by the debenture trustee. The debenture trustee agreement entered into between the Company and the Debenture Trustee for the appointment of the Debenture Trustee for the purpose of the Issue was executed on July 01, 2019. Permission or consent of existing chargeholder/s No other consent/permission of existing chargeholder/s are required to create Pari Passu charge over the Assets of the Company excluding the Assets which are charged with other lender/s, trustee/s or creditor/s, together with all rights, title, interest, benefits, claims and demands for which NOC's, if any required were obtained and provided at the time of execution of Debenture Trust Deed.
Rating	CRISIL PP-MLD AA-r/Negative (pronounced as CRISIL PP-MLD double A - r rating with Negative outlook) by CRISIL Limited for Rs. 750.00 Crore Long Term Principal Protected Market Linked Debenture issue. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. A prefix of PP-MLD indicates that the instrument is a principal-protected market linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The r suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned at any time, on the basis of new information, or unavailability of information or other circumstances which CRISIL believes may have impact on the rating.
Representation and Warranties	As specified in the Debenture Trust Deed
Purpose and objects of the Issue	General corporate purposes, business operations and investments
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	Nil
Details of the Utilisation of the proceeds	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of

	Debentures would be utilized for general corporate purposes.
Settlement	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.
Business Day Convention	If any of the date(s), including the Record Date, as defined in the Disclosure Document fall on a Sunday or a public holiday, the next working day shall be considered as the effective date. However, if any Initial Fixing Date, Final Fixing Date or Observation Date as defined in the Disclosure 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. However, incase 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
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures.
Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	1. The Company shall comply with the Applicable Laws concerning listed debentures; 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; 3. None, except as specified in the Debenture Trust Deed.
Due diligence certificate issued by the Debenture Trustee	The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) is annexed to this Disclosure Document.
Terms and conditions of debenture trustee agreement including fees charged by Debenture Trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee.	Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s): Debenture Trustee Agreement (DTA) has been executed as per required regulations before opening of Issue and includes fees charged by debenture trustee(s).
Transaction Documents	• Memorandum and Articles of Association of the Company. • Consent Letter from SBICAP Trustee Company Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures. • Debenture Trust deed between Company and SBICAP Trustee Company Limited dated November 21, 2019. • Certified copy of the Board Resolution passed on February 10, 2021 • Certified copy of the Shareholders Resolution passed on February

	12,2021 • Certified copy of the Resolution passed by Debenture Committee on 09-Sep-2021 • Letter from CRISIL Limited Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto. • Consent Letter from KFin Technologies Private Limited for acting as Registrars to the Issue. MoU entered into between the Company and the Registrar. • Tripartite Agreement between the Company, National Securities Depository Limited ("NSDL") and the Registrar for the Issue of Debentures in dematerialised form. • Tripartite Agreement between the Company, Central Depository Services (India) Limited ("CDSL") and the Registrar for the Issue of Debentures in dematerialised form. • Valuation Agreement dated March 27, 2014 between Company and CRISIL Limited and Valuation Agreement dated March 28, 2014 between Company and ICRA Limited and Valuation Agreement dated March 28, 2014 between Company and Credit Analysis and Research Limited and amendments thereafter to the respective agreements, as may be applicable.. • License agreement with IISL and amendment thereafter.
Conditions Precedent to Disbursement	Nil
Conditions Subsequent to Disbursement	Nil
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer "Events of Default" under section Definitions and Abbreviations. Consequences of Event(s) of Default In accordance with the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 issued by SEBI on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities", post the occurrence of one or more of the Event(s) of Default specified above, the consent of the Debenture Holders for entering into an inter-creditor agreement (the "ICA") / enforcement of security shall be sought by the Debenture Trustee after providing a notice to the Debenture holders in the manner stipulated under applicable law. Further, the meeting of the Debenture Holders shall be held within the period stipulated under applicable law. In case(s) where majority of Debenture holders express their dissent to enforce the security, the Debenture Trustee shall not enforce the security on behalf of the Debenture holders. In case(s) where majority of Debenture holders express their consent to enter into the ICA, the Debenture Trustee shall enter into the ICA on behalf of the Debenture holders upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA or enforcement of security, the Debenture Trustee shall take further action, if any, as per the decision taken in the meeting of the Debenture holders. The Debenture Trustee may form a representative committee of the Debenture holders to participate in the ICA or to enforce the security or as may be decided in the meeting. The dissent for enforcement / consent for joining the ICA of the majority of Debenture holders shall mean the approval of not less than 75% of the Debenture holders by value of the outstanding debt and 60% of the Debenture holders by number at the ISIN

	level. Thus, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the above mentioned circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI. The Debenture Trustee / Debenture Holders shall have such other rights and remedies as may be provided in the Debenture Trust Deed including levy of penal interest, enforcement of security and appointment of nominee director/observer upon occurrence of event of default(s).
Creation of Recovery Expense Fund	The Issuer has created and maintained the recovery expense fund as per the terms of the Applicable Laws.
Conditions for breach of covenants (As specified in the Debenture Trust Deed)	None except as specified in Event of Default.
Provisions related to Cross Default Clause	Not Applicable
Early Redemption Option	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- “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”. Further, notwithstanding anything contained in this Disclosure Document, the Company shall not be liable for any failure to perform any of its obligations under this Disclosure Document, if the performance is prevented, hindered or delayed by any one or more of the events mentioned above, its obligations shall be terminated with immediate effect. The decision of the Company about the occurrence of the events mentioned above shall be final and binding in respect of all Debenture holders. Intimation to Investor: If the Company opts to redeem the debentures on occurrence of the events mentioned above, it shall intimate the investor within reasonable time period from the occurrence of any of the events mentioned above that it has exercised the Early Redemption Option. Early Redemption Option Exercise Date: The third Business Day from the date of Early Redemption Option intimation to the debenture holder 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. The fair value will be calculated by the [Calculation Agent] based on 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. 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].

	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.
Roles and Responsibilities of Debenture Trustee	As per Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time and Debenture Trust Deed and as specified in the Transaction Documents. 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.
Risk factors pertaining to the Issue	Following are the certain risks in relation to the Debentures: 1. Management's perception of Risk Factors a. Early Termination for Extraordinary Reasons, Illegality and Force Majeure; b. Interest Rate Risk on Bonds/ Government securities; c. Changes or discontinuance of the Underlying; d. Returns on Debentures are subject to Model Risk; e. Increasing competition from banks, financial institutions and NBFCs; f. Downgrading in Credit Rating; g. Security may be insufficient to redeem debentures; and h. Repayment is subject to the credit risk of Issuer. 2. External Risk Factors a. The Debentures and the Assets provided as Security cover may be illiquid; b. A slowdown in economic growth in India; c. Conditions in the Indian Debt market may affect the coupon on the Debentures; d. Conditions in the Indian Equity market may affect the coupon on the Debentures; and e. Spread of COVID-19 and the consequent nationwide lockdown to impact the Issuer's operations and financial condition Please refer to the Disclosure Documents for details.
Valuation Agency Fees	Fees paid to Valuation Agent by the Issuer shall be in the range of 5 bps p.a. to 15 bps p.a on the face value of the outstanding Debentures
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the Debentures,

	agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.
Other Terms	Default in Payment: 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. Delay in Registration of Debenture Trust Deed: Where an issuer fails to execute the trust deed within the period specified in the sub-regulation (1) of Regulation 15, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed. Delay in Listing: <u>For applicant other than FPI/FII/sub-accounts of FIIs</u> In case of delay in listing of the Debentures beyond 4 trading days from the date of closure of issue, the Company will pay penal interest @1 % p.a. over the Coupon Rate for the period of delay to the investor(i.e. from the date of allotment to the date of listing). <u>For investments by FPIs / FII/sub-accounts of FIIs</u> In case of delay in listing of the Debentures beyond 4 trading days from the date of closure of issue for any reason, then the FII/sub-account of FII shall immediately dispose of these Debentures either by way of sale to a third party or to the Company and the Company will be under an obligation to redeem the Debentures. 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 read with SEBI circular dated October 5th, 2020 for Standardization of timeline for listing of securities issued on a private placement basis in respect of FII investment in ‘to be listed’ debt securities, Issuer confirms that the Debentures would be listed within 4 trading days from the date of closure of issue. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 4 trading days from the date of closure of issue to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs 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 The interest rates mentioned in above are independent of each other.
Disclosures In Terms Of Sebi Circular NO. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020.	The Debentures shall be considered as secured only if the charge is registered, however the Charge was already created and registered with Registrar of Companies and CERSAI etc. through execution of Debenture Trust Deed as mentioned in the summary term sheet. Fees charged by Debenture Trustee - The Issuer has appointed Debenture Trustee through its consent letter and consolidated Fees was/ is paid for the Umbrella Debenture Trust Deed as mentioned in

the summary term sheet. The Company shall pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration 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 documents executed/to be executed to give effect to the creation of security for securing the Debentures and such any other expenses like advertisement, notices, letters to debenture holders, and additional professional fees/expenses that would be incurred in case of default, and such expenses shall be pre- agreed with the Company and re-imbursement will be on an actual basis.

Process of due diligence carried out by the debenture trustee are stated below :

The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Information Memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company, and such expenses shall be pre- agreed with the Company and re-imbursement will be on an actual basis.

Process of due diligence carried out by the debenture trustee are stated below:

Due Diligence was carried out for maintenance of security cover depending on information provided by the issuer company and CA appointed by Debenture Trustee. However, DT himself will not be responsible for misinformation provided by the issuer company.

Terms of carrying out Due Diligence –

The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets of the Company or any third party security provider for securing the Debentures, are registered / disclosed - ***Not applicable since the security was created and registered with Registrar of Companies and CERSAI through execution of Umbrella Debenture Trust Deed dated 21st November, 2019.***

Further, in the event that existing charge holders, the concerned trustee/agent on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders/trustee and the Company.

The Debenture Trustee shall also have the power to intimate the existing charge holders/trustee about proposal of creation of further encumbrance and seeking their comments/ objections, if any if applicable.

Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite Disclosure Document diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws.

"The Debenture Trustee has undertaken the necessary Due Diligence to the extent applicable in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020 since Umbrella DTD was executed on 21st November, 2019 for the issue.

The Debenture Trustee confirms that they have undertaken the necessary due diligence to the extent applicable in accordance with Applicable Law including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circular titled "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020. The due diligence certificate in this regard is enclosed as **Annexed to this Disclosure Document**.

30. Illustration of Cash Flows:

Company	EDELWEISS FINANCE & INVESTMENTS LIMITED	
Face Value	Rs. 1,000,000/- Per Debenture	
Deemed Date of Allotment	09-Sep-2021	
Redemption Date	07-Dec-2023	
Coupon	Scenario	Coupon
	If Final Fixing Level <= 50% of Initial Fixing Level	0.00%
	If Final Fixing Level > 50% of Initial Fixing Level	20.71%
Coupon Payment Dates/Frequency	Coupon if any, will be paid on Redemption Date	

Day Count Convention	Actual/Actual

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	07-Dec-2023	819	* Coupon linked to Underlying / Reference Index.
Face Value	07-Dec-2023	819	Rs. 1,000,000/- Per Debenture
Total	07-Dec-2023	819	Rs. 1,000,000 *(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.

a. Disclosure of any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change – Nil

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

c. Percentage of the Issue proceeds earmarked for each of the Object of the Issue

No.	Objects of the Issue	Percentage Earmarked
1	Business Operations (including Treasury Operations)	Upto 90%
2	General Corporate Purposes	Upto 10%
3	Investments	0%

31) SCENARIO ANALYSIS FOR I3I102A

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
100.00	0.00	-100%	0.00%	0.51%
100.00	10.00	-90%	0.00%	0.51%
100.00	20.00	-80%	0.00%	0.51%
100.00	30.00	-70%	0.00%	0.51%
100.00	40.00	-60%	0.00%	0.51%
100.00	50.00	-50%	0.00%	0.51%
100.00	50.01	-49.99%	20.71%	9.30%
100.00	60.00	-40%	20.71%	9.30%
100.00	70.00	-30%	20.71%	9.30%
100.00	80.00	-20%	20.71%	9.30%
100.00	90.00	-10%	20.71%	9.30%

Scenario II

Final Fixing Level is equal to Initial Fixing Level

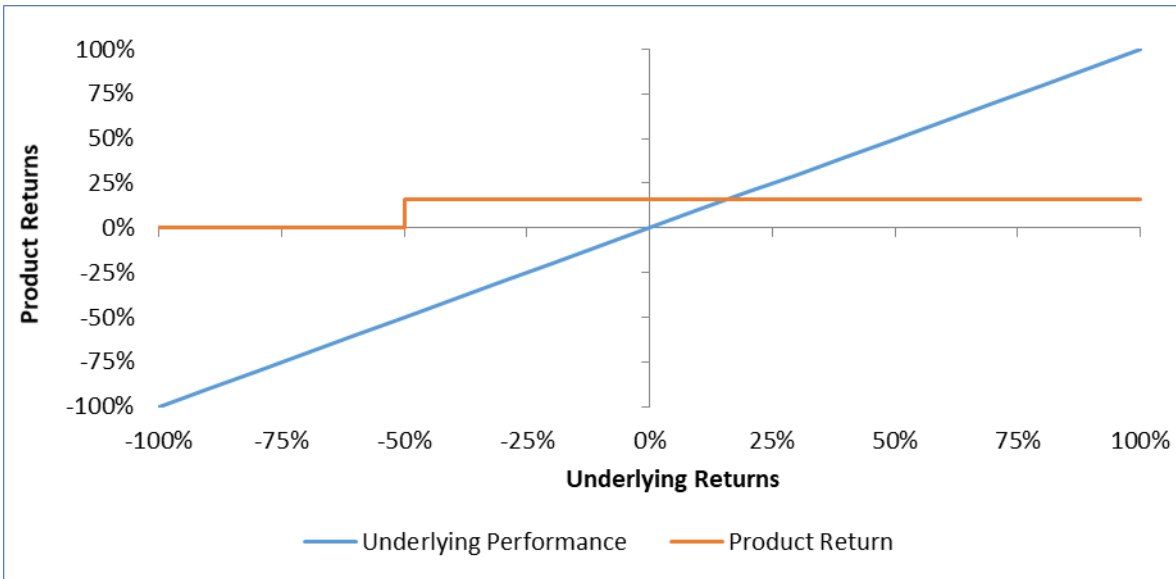
Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
100.00	100.00	0%	20.71%	9.30%

Scenario III

Final Fixing Level is greater than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	*Annualized Return
100.00	110.00	10%	20.71%	9.30%
100.00	120.00	20%	20.71%	9.30%
100.00	130.00	30%	20.71%	9.30%
100.00	140.00	40%	20.71%	9.30%
100.00	150.00	50%	20.71%	9.30%
100.00	160.00	60%	20.71%	9.30%
100.00	170.00	70%	20.71%	9.30%
100.00	180.00	80%	20.71%	9.30%
100.00	190.00	90%	20.71%	9.30%
100.00	200.00	100%	20.71%	9.30%

**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.



33. 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. 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 is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder;
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of 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 Document;
- d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association;
- e) the company accepts no responsibility for the statement made otherwise than in the Offer Letter or in any other material issued by or at the instance of the Company and that anyone who places reliance on any other source of information would be doing so at his own risk;
- f) the Permanent Account Number of the Promoters and of the Directors have been submitted to the stock exchange on which the non-convertible securities are proposed to be listed at the time of filing this Disclosure document.

I am authorized by the Debenture Committee constituted by the Board of Directors of the Company vide resolution dated February 08, 2017 and January 15, 2021 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 FINANCE & INVESTMENTS LIMITED

Signature valid

Digitally signed by Pooja Doshi 

Name: Pooja Doshi

Date: 09-Sep-21

Place: Mumbai

❖ 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	

 Signature

 Initial of officer of the Company designated to keep record

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 MARCH 31, 2021

Type of Securities	Number of Persons	Number of Securities	Price per Security (In Rs.)	Basis of Allotment
Non-Convertible Debentures	107	73083	1,00,000	Private Placement

DETAILS OF NON-CONVERTIBLE DEBENTURES AS ON MARCH 31, 2021

ISIN	Tenor / Period of maturity	Coupon	Amounts outstanding (in millions)	Dates of Allotment	Redemption Date/Schedule	Rating	Secured/Unsecured
INE918K07FJ1	1218	Market Linked	5000000	26-Aug-19	26-Dec-22	CRISIL PPMLD AAr/Negative	SECURED
INE918K07FH5	913	Market Linked	5000000	26-Aug-19	24-Feb-22	CRISIL PPMLD AAr/Negative	SECURED
INE918K07FJ1	1218	Market Linked	10000000	16-Sep-19	26-Dec-22	CRISIL PPMLD AAr/Negative	SECURED
INE918K07FH5	913	Market Linked	10000000	16-Sep-19	24-Feb-22	CRISIL PPMLD AAr/Negative	SECURED
INE918K07FJ1	1218	Market Linked	5000000	17-Sep-19	26-Dec-22	CRISIL PPMLD AAr/Negative	SECURED
INE918K07FJ1	1218	Market Linked	14500000	25-Sep-19	26-Dec-22	CRISIL PPMLD AAr/Negative	SECURED
INE918K07FJ1	1218	Market Linked	12700000	27-Sep-19	26-Dec-22	CRISIL PPMLD AAr/Negative	SECURED
INE918K07FJ1	1218	Market Linked	8100000	16-Oct-19	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	1300000	18-Oct-19	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	1000000	30-Oct-19	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	4800000	26-Nov-19	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	13700000	26-Nov-19	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	14600000	28-Nov-19	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	11700000	28-Nov-19	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	3400000	16-Dec-19	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	1000000	16-Dec-19	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	2800000	24-Dec-19	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	7500000	24-Dec-19	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FL7	2559	Market Linked	10000000	26-Dec-19	28-Dec-26	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	20000000	26-Dec-19	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FM5	1278	Market Linked	20000000	26-Dec-19	26-Jun-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	4000000	30-Dec-19	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FL7	2559	Market Linked	99800000	01-Jan-20	28-Dec-26	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	9000000	03-Jan-20	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	3500000	07-Jan-20	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FL7	2559	Market Linked	3000000	07-Jan-20	28-Dec-26	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	3000000	07-Jan-20	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	27300000	07-Jan-20	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FM5	1278	Market Linked	17800000	07-Jan-20	26-Jun-23	CRISIL PP-MLD AA-r/Stable	SECURED

INE918K07FH5	913	Market Linked	1000000	14-Jan-20	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	7500000	14-Jan-20	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FM5	1278	Market Linked	4500000	14-Jan-20	26-Jun-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FX2	783	Market Linked	50000000	07-Feb-20	31-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FW4	1095	Market Linked	64000000	07-Feb-20	06-Feb-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	2300000	10-Feb-20	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	3000000	10-Feb-20	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	5400000	10-Feb-20	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FM5	1278	Market Linked	10400000	10-Feb-20	26-Jun-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	1000000	11-Feb-20	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	4800000	11-Feb-20	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FM5	1278	Market Linked	8400000	11-Feb-20	26-Jun-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FL7	2559	Market Linked	1000000	20-Feb-20	28-Dec-26	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FH5	913	Market Linked	10600000	20-Feb-20	24-Feb-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	15000000	20-Feb-20	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FM5	1278	Market Linked	10900000	20-Feb-20	26-Jun-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FW4	1095	Market Linked	150000000	26-Feb-20	06-Feb-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FX2	783	Market Linked	19800000	28-Feb-20	31-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FW4	1095	Market Linked	5000000	28-Feb-20	06-Feb-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FK9	823	Market Linked	5900000	02-Mar-20	28-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FM5	1278	Market Linked	2500000	02-Mar-20	26-Jun-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FX2	783	Market Linked	20000000	05-Mar-20	31-Mar-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FW4	1095	Market Linked	10000000	05-Mar-20	06-Feb-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07GA8	508	Market Linked	25000000	09-Mar-20	30-Jul-21	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FW4	1095	Market Linked	5000000	23-Mar-20	06-Feb-23	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07GB6	3647	Market Linked	13000000	17-Apr-20	20-Jul-21	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FJ1	1218	Market Linked	2000000	24-Apr-20	26-Dec-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07FL7	2559	Market Linked	9000000	24-Apr-20	28-Dec-26	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07GC4	830	Market Linked	11000000	18-May-20	26-Aug-22	CRISIL PP-MLD AA-r/Stable	SECURED
INE918K07GC4	830	Market Linked	6000000	29-May-20	26-Aug-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GC4	830	Market Linked	7000000	12-Jun-20	26-Aug-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	4000000	12-Jun-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GD2	364	Market Linked	560000000	17-Jun-20	16-Jun-21	CRISIL PP-MLD A1+r	SECURED
INE918K07GE0	458	Market Linked	750000000	19-Jun-20	20-Sep-21	CRISIL PP-MLD AA-r/Negative	SECURED

INE918K07GE0	458	Market Linked	14000000	23-Jun-20	20-Sep-21	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GC4	830	Market Linked	5000000	26-Jun-20	26-Aug-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	5100000	26-Jun-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GE0	458	Market Linked	180500000	29-Jun-20	20-Sep-21	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GH3	364	Market Linked	160000000	30-Jun-20	29-Jun-21	CRISIL PP-MLD A1+r	SECURED
INE918K07GE0	458	Market Linked	85000000	03-Jul-20	20-Sep-21	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GJ9	364	Market Linked	57000000	04-Jul-20	02-Jul-21	CRISIL PP-MLD A1+r	SECURED
INE918K07FJ1	1218	Market Linked	3000000	06-Jul-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GE0	458	Market Linked	10000000	07-Jul-20	20-Sep-21	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GE0	458	Market Linked	40000000	08-Jul-20	20-Sep-21	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GK7	364	Market Linked	40000000	09-Jul-20	08-Jul-21	CRISIL PP-MLD A1+r	SECURED
INE918K07FH5	913	Market Linked	15000000	10-Jul-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	3000000	20-Jul-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GL5	2191	Market Linked	55000000	22-Jul-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GO9	821	Market Linked	71800000	28-Jul-20	27-Oct-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GN1	1284	Market Linked	11500000	28-Jul-20	02-Feb-24	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	1500000	28-Jul-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	118500000	28-Jul-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GL5	2191	Market Linked	10000000	29-Jul-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GL5	2191	Market Linked	30000000	30-Jul-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GQ4	272	Market Linked	30000000	31-Jul-20	29-Apr-21	CRISIL PP-MLD A1+r	SECURED
INE918K07GR2	364	Market Linked	10000000	04-Aug-20	03-Aug-21	CRISIL PP-MLD A1+r	SECURED
INE918K07GL5	2191	Market Linked	106000000	06-Aug-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GO9	821	Market Linked	26200000	07-Aug-20	27-Oct-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GN1	1284	Market Linked	7000000	07-Aug-20	02-Feb-24	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	4000000	07-Aug-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GL5	2191	Market Linked	507500000	10-Aug-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GT8	272	Market Linked	5000000	11-Aug-20	10-May-21	CRISIL PP-MLD A1+r	SECURED
INE918K07GU6	335	Market Linked	260000000	11-Aug-20	12-Jul-21	CRISIL PP-MLD A1+r	SECURED
INE918K07GW2	364	Market Linked	10000000	12-Aug-20	11-Aug-21	CRISIL PP-MLD A1+r	SECURED
INE918K07GL5	2191	Market Linked	114000000	13-Aug-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GL5	2191	Market Linked	20000000	24-Aug-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	95700000	25-Aug-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GX0	272	Market Linked	34000000	27-Aug-20	26-May-21	CRISIL PP-MLD A1+r	SECURED

INE918K07GL5	2191	Market Linked	263500000	28-Aug-20	22-Jul-26	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GN1	1284	Market Linked	145000000	31-Aug-20	02-Feb-24	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	5000000	31-Aug-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GO9	821	Market Linked	7000000	02-Sep-20	27-Oct-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GN1	1284	Market Linked	8000000	02-Sep-20	02-Feb-24	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	5000000	02-Sep-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	12000000	02-Sep-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GO9	821	Market Linked	1000000	04-Sep-20	27-Oct-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	30000000	04-Sep-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07GN1	1284	Market Linked	80000000	16-Sep-20	02-Feb-24	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	10000000	16-Sep-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	25000000	18-Sep-20	26-Dec-22	CARE PP-MLD AA- Negative	SECURED
INE918K07FH5	913	Market Linked	74000000	18-Sep-20	24-Feb-22	CARE PP-MLD AA- Negative	SECURED
INE918K07GO9	821	Market Linked	1000000	21-Sep-20	27-Oct-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	20000000	25-Sep-20	26-Dec-22	CARE PP-MLD AA- Negative	SECURED
INE918K07FH5	913	Market Linked	47700000	25-Sep-20	24-Feb-22	CARE PP-MLD AA- Negative	SECURED
INE918K07GO9	821	Market Linked	15800000	28-Sep-20	27-Oct-22	CARE PP-MLD AA- Negative	SECURED
INE918K07FJ1	1218	Market Linked	4000000	28-Sep-20	26-Dec-22	CARE PP-MLD AA- Negative	SECURED
INE918K07FH5	913	Market Linked	51000000	28-Sep-20	24-Feb-22	CARE PP-MLD AA- Negative	SECURED
INE918K07FH5	913	Market Linked	20000000	29-Sep-20	24-Feb-22	CARE PP-MLD AA- Negative	SECURED
INE918K07FJ1	1218	Market Linked	50000000	30-Sep-20	26-Dec-22	CARE PP-MLD AA- Negative	SECURED
INE918K07FH5	913	Market Linked	42500000	30-Sep-20	24-Feb-22	CARE PP-MLD AA- Negative	SECURED
INE918K07HB4	182	Market Linked	50000000	22-Oct-20	22-Apr-21	CRISIL PP-MLD A1+r	SECURED
INE918K07FJ1	1218	Market Linked	15000000	23-Oct-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	88500000	23-Oct-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	8000000	28-Oct-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	9000000	28-Oct-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	102800000	29-Oct-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	133500000	29-Oct-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07HC2	182	Market Linked	10000000	03-Nov-20	04-May-21	CRISIL PP-MLD A1+r	SECURED
INE918K07FJ1	1218	Market Linked	186300000	06-Nov-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	61800000	06-Nov-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	5000000	11-Nov-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	10600000	18-Nov-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED

INE918K07FJ1	1218	Market Linked	101100000	26-Nov-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	59600000	26-Nov-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	23000000	27-Nov-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07HD0	182	Market Linked	20000000	01-Dec-20	01-Jun-21	CRISIL PP-MLD A1+r	SECURED
INE918K07FJ1	1218	Market Linked	25000000	02-Dec-20	26-Dec-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FH5	913	Market Linked	41500000	02-Dec-20	24-Feb-22	CRISIL PP-MLD AA-r/Negative	SECURED
INE918K07FJ1	1218	Market Linked	3000000	11-Dec-20	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	47500000	11-Dec-20	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	5000000	15-Dec-20	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	5000000	15-Dec-20	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	26400000	21-Dec-20	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	47100000	21-Dec-20	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	10000000	24-Dec-20	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	10000000	24-Dec-20	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	43500000	29-Dec-20	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	33100000	29-Dec-20	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	107400000	08-Jan-21	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	53300000	14-Jan-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	96900000	14-Jan-21	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	45000000	28-Jan-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	185100000	28-Jan-21	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FH5	913	Market Linked	10000000	29-Jan-21	24-Feb-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HE8	547	Market Linked	125800000	18-Feb-21	19-Aug-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HE8	547	Market Linked	20000000	23-Feb-21	19-Aug-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	34500000	25-Feb-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HE8	547	Market Linked	136800000	26-Feb-21	19-Aug-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	305500000	26-Feb-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HF5	364	Market Linked	62500000	02-Mar-21	01-Mar-22	CARE PP-MLD A1+	SECURED
INE918K07FJ1	1218	Market Linked	51000000	08-Mar-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HE8	547	Market Linked	80000000	09-Mar-21	19-Aug-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HE8	547	Market Linked	80000000	10-Mar-21	19-Aug-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HG3	364	Market Linked	45000000	17-Mar-21	16-Mar-22	CARE PP-MLD A1+	SECURED
INE918K07HE8	547	Market Linked	10000000	19-Mar-21	19-Aug-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	51100000	19-Mar-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED

INE918K07HH1	1095	Market Linked	30000000	19-Mar-21	18-Mar-24	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	18400000	25-Mar-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07HI9	364	Market Linked	50000000	26-Mar-21	25-Mar-22	CARE PP-MLD A1+	SECURED
INE918K07HE8	547	Market Linked	15500000	31-Mar-21	19-Aug-22	BWR PP-MLD AA-/Stable	SECURED
INE918K07FJ1	1218	Market Linked	41500000	31-Mar-21	26-Dec-22	BWR PP-MLD AA-/Stable	SECURED

INDEPENDENT AUDITOR'S REPORT**To the Members of Edelweiss Finance & Investments Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Edelweiss Finance & Investments Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 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, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 financial statements.

Emphasis of matter

We draw attention to Note 45 to the financial statements, which describes the uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. Our opinion is not modified in respect of this matter.

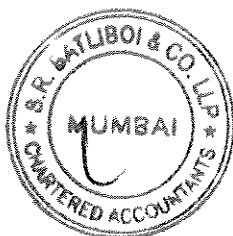
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the 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 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 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 financial statements.



Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (expected credit losses) (as described in Note 2.8, 7, 8 & 8.A of the financial statements)	
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). In the process, a significant degree of judgement has been applied by the management for: • Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis; • Assigning rating grades to customers for which external rating is not available; • Calibrating external ratings-linked probability of default to align with past default rates; • Estimation of management overlay for macro-economic factors bearing a correlation with the credit quality of the Company's loan portfolio. Impact of COVID-19 Considering the evolving nature of the COVID-19 pandemic, which has continued to impact the Company's business operations, the Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by the pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate requires to takes into	Our audit procedures included but were not limited to: • 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. • Tested the design and 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. • We performed procedures to test the inputs used in the ECL computation, on a sample basis. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Assessed disclosures included in the 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.



Key audit matters	How our audit addressed the key audit matter
account reasonable and supportable information. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.	
(a) Information technology (IT) systems and controls	
The reliability and security of IT systems play a key role in the business operations, 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. 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.	We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors: • 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; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

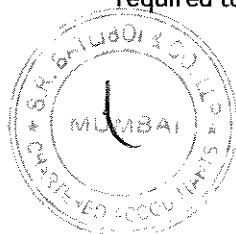
Other Information

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

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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

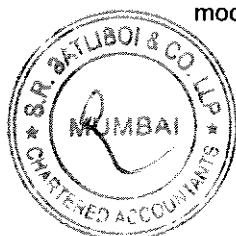
Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

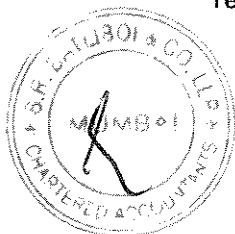
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 financial statements for the financial year ended March 31, 2021 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (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 financial statements – Refer Note 35 to the 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 44.04 to the 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

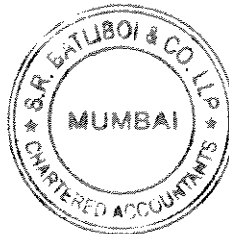
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner

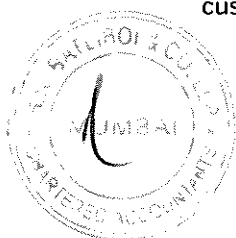
Membership Number: 102102
UDIN: 21102102AAAAJX1221
Mumbai

Date: May 26, 2021



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

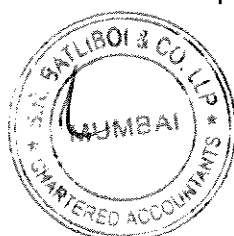
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, 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 verification of securities held for trading have been conducted on the basis of statement of holding received from Depository Participants and Clearing Corporation holding statement at reasonable intervals by the management during the year.
- (iii) (a) The Company has granted loans to three parties covered in the register maintained under section 189 of the Act. 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 Act. 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 Act 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 given 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. As informed, the provisions relating to employee's state insurance, service tax, wealth tax, sales 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, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions relating to employee's state insurance, service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, service tax and cess on account of any dispute, are given below. As informed, the provisions relating to employee's state insurance, service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.



Name of the Statute	Nature of dues	Amount under dispute (Rs. in millions) *	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	26.82	AY 2008-09	High Court
Income Tax Act, 1961	Income Tax	37.75	AY 2009-10	High Court
Income Tax Act, 1961	Income Tax	0.14	AY 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	11.87	AY 2010-11	High Court
Income Tax Act, 1961	Income Tax	29.88	AY 2011-12	High Court
Income Tax Act, 1961	Income Tax	90.58	AY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	-	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	74.08	AY 2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.77	AY 2018-19	Company is in the process of filing appeal with Commissioner of Income Tax (Appeals)

*Net amount shown after subtracting the amount paid under protest/adjusted against refund

- (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, further public offer and term loans.
- (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 no material fraud 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 Act.
- (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 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 requirement under clause 3(xiv) are not applicable to the company and, hence not commented upon.

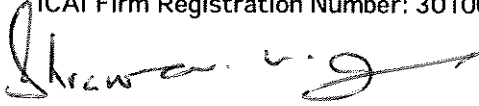


S.R. BATLIBOI & Co. LLP
Chartered Accountants

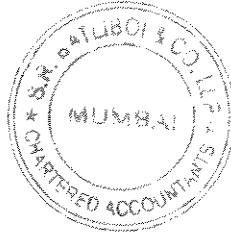
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, 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
UDIN: 21102102AAAAJX1221
Mumbai
Date: May 26, 2021



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 Finance & Investments Limited ("the Company") as of March 31, 2021 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

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

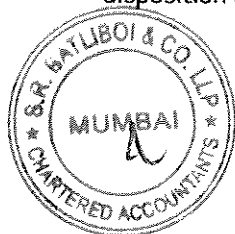
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on 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 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 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.



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.

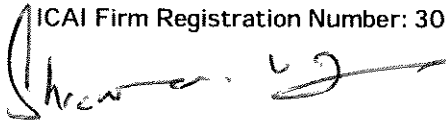
Opinion

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 21102102AAAAJX1221

Mumbai

Date: May 26, 2021



Edelweiss Finance & Investments Limited

Balance Sheet as at March 31, 2021

(Currency : Indian rupees in million)

	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Financial assets			
(a) Cash and cash equivalents	3	779.47	1,587.54
(b) Bank balances other than cash and cash equivalents	4	3.45	3.45
(c) Derivative financial instruments	5	625.19	17.84
(d) Securities held for trading	6	2,074.37	31.00
(e) Receivables			
(i) Trade receivables	7	216.24	11.90
(ii) Other receivables		23.35	13.73
(f) Loans	8	14,104.44	6,392.90
(g) Other financial assets	9	2,660.79	134.19
		20,487.30	8,192.55
Non-financial assets			
(a) Current tax assets (net)	10	147.02	136.65
(b) Deferred tax assets (net)	11	23.31	7.82
(c) Property, Plant and Equipment	12	5.62	6.09
(d) Other Intangible assets	12	2.48	5.55
(e) Other non- financial assets	13	23.32	67.14
		201.75	223.25
Total Assets		20,689.05	8,415.80
Liabilities			
Financial liabilities			
(a) Derivative financial instruments	5	104.42	5.70
(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	14	173.79	62.01
(c) Debt securities	15	10,213.67	3,281.73
(d) Borrowings (other than debt securities)	16	3,363.86	29.28
(e) Subordinated Liabilities	17	160.00	340.55
(f) Other financial liabilities	18	77.55	21.22
		14,093.29	3,740.49
Non-financial liabilities			
(a) Current tax liabilities (net)	19	10.04	34.43
(b) Provisions	20	43.19	9.55
(c) Other non-financial liabilities	21	27.61	12.63
		80.84	56.61
Equity			
(a) Equity share capital	22	114.59	83.35
(b) Other equity	23	6,400.33	4,535.35
		6,514.92	4,618.70
Total Liabilities And Equity		20,689.05	8,415.80

The accompanying notes are an integral part of the financial statements 1 to 49

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

Non-Executive Director

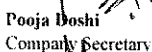
DIN: 00008509



Pankaj Razdan

Non-Executive Director

DIN: 00061240



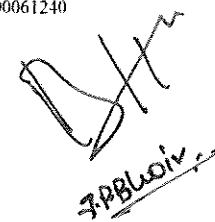
Pooja Doshi

Company Secretary



Tushar Agrawal

Chief Executive Officer



Jagdish Bhoir

Chief Financial Officer

Mumbai
May 26, 2021

Mumbai
May 26, 2021

Edelweiss Finance & Investments Limited

Statement of Profit and Loss for the year ended March 31, 2021

(Currency : Indian rupees in million)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	24	1,320.13	1,190.14
Dividend income	25	0.33	-
Fee and commission income	26	206.09	15.28
Net gain on fair value changes (including Treasury income)	29	477.74	278.42
Other income	27	1.68	1.52
Total Revenue		2,005.97	1,485.36
Expenses			
Finance costs	28	981.94	984.38
Impairment on financial instruments	30	45.97	25.67
Employee benefits expense	31	510.79	80.37
Depreciation and amortisation expense	12	4.78	5.40
Other expenses	32	276.94	125.88
Total expenses		1,820.42	1,221.70
Profit before tax		185.55	263.66
Tax expenses			
(1) Current tax	33	57.54	13.16
(2) Deferred tax (net)	33	(15.49)	66.21
Profit for the year		143.50	184.29
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
a) Remeasurement gain on defined benefit plans (OCI)		3.64	(4.34)
b) Income Tax - OCI - that will not be reclassified		(0.92)	1.09
Total		2.72	(3.25)
Total Comprehensive Income		146.22	181.04
Earnings per equity share (Face value of Rs. 10 each) (in Rs.):			
Basic	34	17.07	53.44
Diluted	34	17.07	53.44

The accompanying notes are an integral part of these financial statements

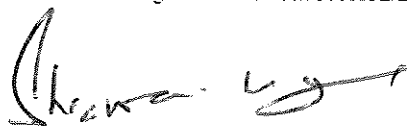
1 to 49

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102

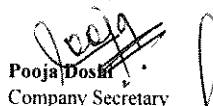
For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

Non-Executive Director

DIN: 00008509



Pooja Doshi

Company Secretary



Tushar Agrawal

Chief Executive Officer



Pankaj Razdan

Non-Executive Director

DIN:00061240



Jagdish Bhoir

Chief Financial Officer

Mumbai
May 26, 2021

Mumbai
May 26, 2021

Edehweiss Finance & Investments Limited

(Currency : Indian rupees in million)

Statement of Changes in Equity for the year ended March 31, 2021
A. Equity Share Capital

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Outstanding as on April 1, 2020	Issued during the year	Outstanding as on March 31, 2021	Outstanding as on April 1, 2019	Issued during the year	Outstanding as on March 31, 2020
Issued, Subscribed and Paid up (Equity shares of Rs. 10 each, fully paid-up)	83.35	31.24	114.59	34.35	49.00	83.35

B. Other Equity

Particulars	Capital redemption reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Deemed Capital Contribution -Equity	Total Attributable to equity holders
Balance as at April 01, 2019	9.71	711.81	921.04	90.26	(49.49)	15.18	1,698.51
Profit for the year	-	-	-	-	184.29	-	184.29
Other Comprehensive Income	-	-	-	-	(3.25)	-	(3.25)
	9.71	711.81	921.04	90.26	131.55	15.18	1,879.55
Securities premium on shares issued during the year	-	2,655.80	-	-	-	-	2,655.80
Transfer to Special Reserve	-	-	40.19	-	(40.19)	-	-
Transfer to Capital redemption Reserve	106.88	-	-	(90.26)	(16.62)	-	(0.00)
Balance as at April 01, 2020	116.59	3,367.61	961.23	(0.00)	74.74	15.18	4,535.35
Profit for the year	-	-	-	-	143.50	-	143.50
Other Comprehensive Income	-	-	-	-	2.72	-	2.72
	116.59	3,367.61	961.23	(0.00)	220.96	15.18	4,681.57
Securities premium on shares issued during the year	-	1,718.76	-	-	-	-	1,718.76
Transfer to Special Reserve	-	-	28.69	-	(28.69)	-	-
Transfer to Capital redemption Reserve	109.73	-	-	-	(109.73)	-	-
Balance as at March 31, 2021	226.32	5,086.37	989.92	(0.00)	82.54	15.18	6,400.33

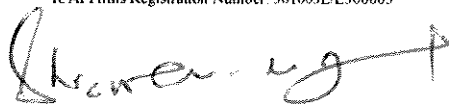
The accompanying notes are an integral part of these financial statements.

1 to 49

As per our report of even date attached.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors



per Shrawan Jalan
Partner
Membership No: 102102



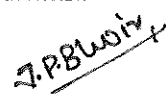
Venkatchalam Ramaswamy
Non-Executive Director
DIN: 00008509



Pankaj Razdan
Non-Executive Director
DIN: 00061240



Tushak Agrawal
Chief Executive Officer



Jagdish Bhoir
Chief Financial Officer



Pooja Doshi
Company Secretary

Mumbai
May 26, 2021

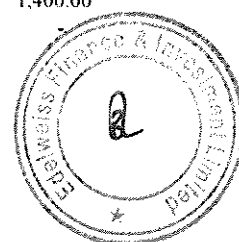
Mumbai
May 26, 2021

Edelweiss Finance & Investments Limited

Statement of cash flows for the year ended March 31, 2021

(Currency : Indian rupees in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
Profit before tax	185.55	263.66
<i>Adjustments for</i>		
Depreciation and amortisation expense	4.78	5.40
Fair value (gain) / loss of financial instruments	(47.87)	(0.98)
Provision for compensated absences	29.59	(0.91)
Impairment on financial assets	45.97	25.67
Profit on sale of Property, Plant and Equipment	(0.32)	(0.01)
Operating cash flow before working capital changes	217.70	292.83
Add / (Less): Adjustments for working capital changes		
Increase in Loans	(7,742.81)	(6,418.57)
Decrease / (increase) Trade and other receivables	(228.66)	6,259.00
Decrease in Securities held for trading	(1,995.50)	13,774.51
Decrease / (increase) in Other financial assets	(3,133.95)	343.59
Increase in Other non- financial assets	43.82	(27.11)
Increase / (decrease) in Trade payables	111.78	12.60
Decrease in Non-financial liabilities and Provisions	21.75	(6.96)
(Decrease) / increase in Other financial liabilities	155.05	(265.99)
Cash generated from / (used in) operations	(12,550.82)	13,963.90
Income taxes paid	(92.30)	(50.00)
Net cash generated from / (used in) operating activities -A	(12,643.12)	13,913.90
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(2.63)	(1.26)
Sale of Property, Plant and Equipment	1.71	0.06
Net cash used in investing activities - B	(0.92)	(1.20)
C Cash flow from financing activities		
Proceeds from issuance of Share capital (including Securities Premium)	1,750.00	2,704.80
Proceeds from issuance of Debt Securities	6,931.94	3,281.73
(Decrease) / increase in Borrowings other than Debt Securities (refer note 2)	3,334.58	(19,185.88)
Repayment of Subordinated Liabilities	(180.55)	(176.04)
Net cash (used in) / generated from financing activities - C	11,835.97	(13,375.40)
Net increase in cash and cash equivalents (A+B+C)	(808.07)	537.30
Cash and cash equivalent as at the beginning of the year	1,587.54	1,050.25
Cash and cash equivalent as at the end of the year	779.47	1,587.54
Operational cash flows from interest and dividends		
Interest paid	506.09	963.56
Interest received	985.89	1,400.00
Dividend received	0.33	



Edelweiss Finance & Investments Limited

Statement of cash flows for the year ended March 31, 2021 (continued)

(Currency : Indian rupees in million)

Notes:

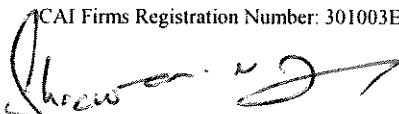
- 1 Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 (Statement of Cash Flows) prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
- 2 Cash receipts and payments for transaction with group companies in which 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.
- 3 Refer note 37 for change in liabilities arising from financing activities

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

CAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership No: 102102

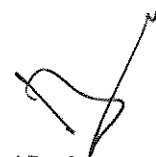
For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

Non-Executive Director

DIN: 00008509



Pankaj Razdan

Non-Executive Director

DIN:00061240



Pooja Doshi

Company Secretary



Tushar Agrawal

Chief Executive Officer



Jagdish Bhoir

Chief Financial Officer

Mumbai

May 26, 2021

Mumbai

May 26, 2021

Edelweiss Finance & Investments Limited

Notes to the financial statements for the year ended March 31, 2021

1. Corporate information:

Edelweiss Finance & Investments Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Securities Limited. During the year, the controlling stake in the Edelweiss Securities Limited, the Parent Company, was transferred by its erstwhile Ultimate Parent, Edelweiss Financial Services Limited ("EFSL"), to Edelweiss Global Wealth Management Limited ('EGWML'), the new parent entity, as a part of the overall transaction consummated with PAGAC Ecstasy Pte. Ltd ('PAG'). PAG has infused CCDs in EGWML whereby it acquired controlling interest in relation to the Wealth Management business only. The Company was incorporated on October 27, 1994 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 engaged in the business of advancing of loans against securities and trading and investing in government securities and fixed income securities.

2. Significant accounting policies

2.1 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.

2.2 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 38.

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:

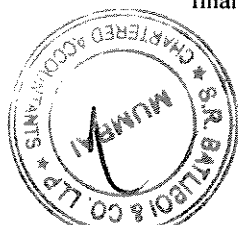
- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

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.

2.3 Recognition of interest income and dividend income

2.3.1 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



Notes to the financial statements (continued)

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.

2.3.2 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

2.3.3 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.

2.3.4 Fee Income:

The Company recognises fee income including advisory and syndication fees at a point in time in accordance with the terms and contracts entered into between the Company and the counterparty.

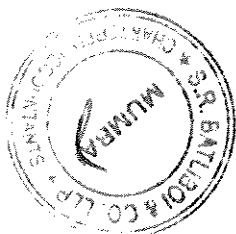
2.4 Financial instruments:

2.4.1 Date of recognition:

Financial Assets and financial 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.

2.4.2 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.



Notes to the financial statements (continued)

2.4.3 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 / loss 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.

2.4.4 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.

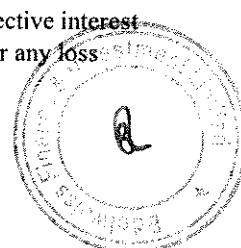
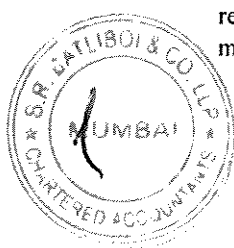
2.5 Financial assets and liabilities:

2.5.1 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



Notes to the financial statements (continued)

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.

2.5.2 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 / loss on fair value changes.

2.5.3 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.

2.5.4 Financial liabilities:

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

2.5.5 Derivative financial instruments:

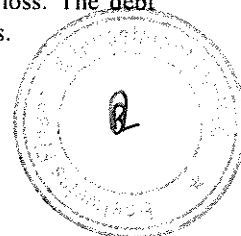
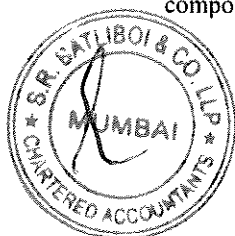
The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and market risk.

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.

2.5.6 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.



Notes to the financial statements (continued)

2.5.7 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.

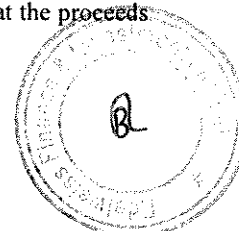
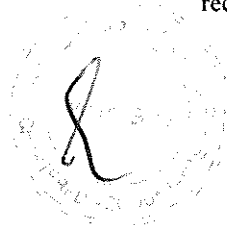
2.5.8 Loan commitment

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

2.5.9 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.



Notes to the financial statements (continued)

2.6 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. Financial liabilities are never reclassified.

2.7 Derecognition of financial Instruments:

2.7.1 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.

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.

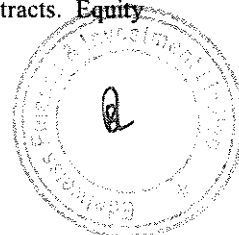
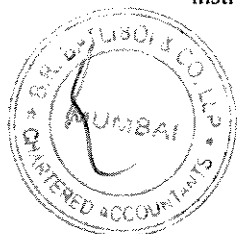
The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

2.7.2 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 in statement of profit and loss.

2.8 Impairment of financial assets:

The Company records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.



Notes to the financial statements (continued)

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 expected credit loss (ECL) 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 ECL 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 (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the 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 categorises its financial assets as follows:

Stage 1 assets:

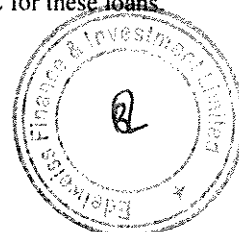
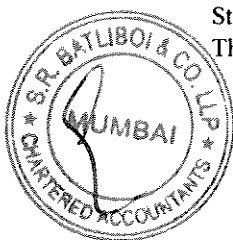
Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

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 statements (continued)

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

The Company's product offering includes a 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.

2.9 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, power of attorney, 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 monthly/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.

2.10 Write-offs:

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

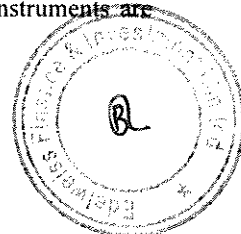
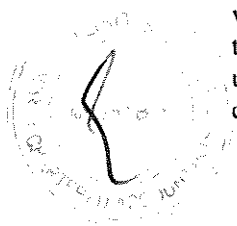
2.11 Determination of fair value:

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:

- 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:



Notes to the financial statements (continued)

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.

2.12 Operating leases:

Company as a lessee:

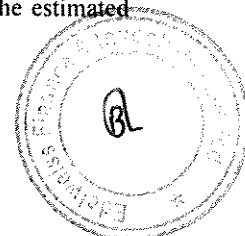
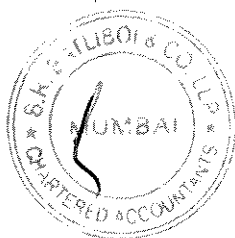
The Company has applied Ind AS 116 using the partial retrospective approach.

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.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities



Notes to the financial statements (continued)

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 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.

2.13 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.

2.14 Retirement and other employee benefit:

2.14.1 Provident fund and national pension scheme:

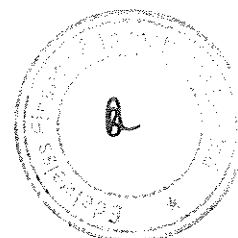
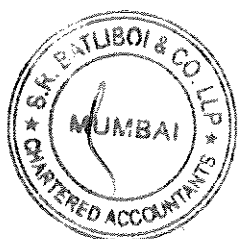
The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

2.14.2 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.



Notes to the financial statements (continued)

2.14.3 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.

2.14.4 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.

2.14.5 Share-based payment arrangements:

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. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share-based transaction.

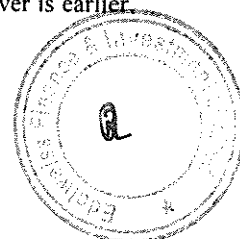
The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its 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.

2.15 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.



Notes to the financial statements (continued)

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 Property, plant and equipment are as follows:

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Vehicles	8 years
Office Equipment	5 years
Furniture and fixtures	10 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.

2.16 Intangible assets:

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

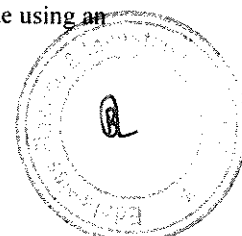
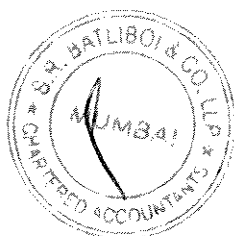
Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

2.17 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.

2.18 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



Notes to the financial statements (continued)

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.

2.19 Income tax expenses:

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

2.19.1 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.

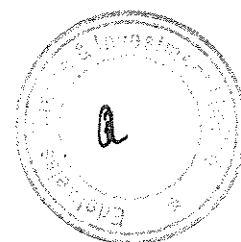
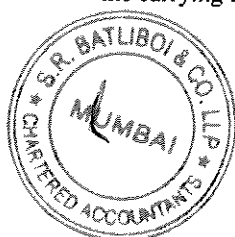
2.19.2 Deferred tax:

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

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.



Notes to the financial statements (continued)

2.19.3 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.

2.20 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.

2.21 Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, 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:

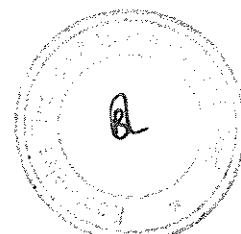
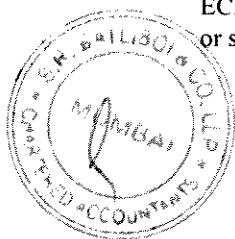
The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

2.21.1 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 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

2.21.2 Significant increase in credit risk:

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial



Notes to the financial statements (continued)

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.

2.21.3 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.

2.21.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

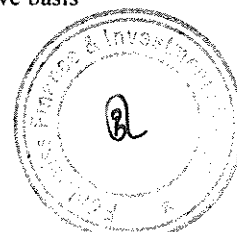
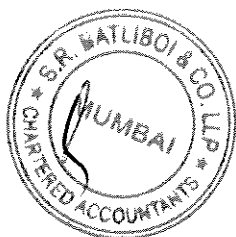
This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

2.22 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.
- The segmentation of financial assets when their ECL is assessed on a collective basis



Notes to the financial statements (continued)

- 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.

2.23 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.

2.24 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.

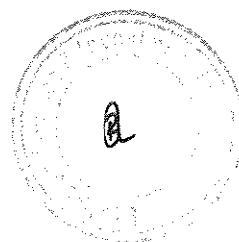
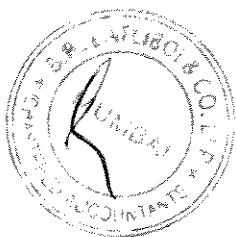
2.25 Provisions for Income Taxes:

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.

2.26 Standards issued but not yet effective:

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

3. Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash in hand	-	0.03
Balances with banks		
- in current accounts	459.29	1,587.51
- in fixed deposits with original maturity less than 3 months *	319.90	-
- Accrued interest on fixed deposits	0.28	-
	779.47	1,587.54

4. Bank balances other than cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Earmarked balance with bank (unpaid dividends)	3.45	3.45
	3.45	3.45

4.A Encumbrances on fixed deposits held by the Company:

	As at March 31, 2021	As at March 31, 2020
Fixed deposit pledged against overdraft facility		
ICICI Bank Limited	19.90	-
Fixed deposit hypothecated against Market Linked Debentures		
ICICI Bank Limited	30.00	-
	49.90	-

* Fixed deposit with bank earns interest at fixed rate.

5. Derivative financial instruments

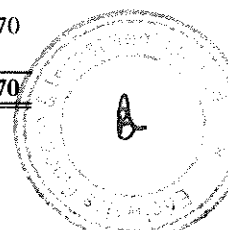
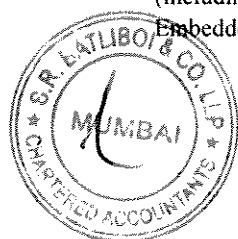
Breakup of Derivative financial instruments

Fair Value Assets

	As at March 31, 2021	As at March 31, 2020
Premium paid on outstanding exchange traded options	624.82	-
Embedded derivatives in market-linked debentures (Assets)	0.37	17.84
	625.19	17.84

Fair Value Liabilities

	As at March 31, 2021	As at March 31, 2020
Premium received on outstanding exchange traded options (including MTM)	49.30	-
Embedded derivatives in market-linked debentures (liabilities)	55.12	5.70
	104.42	5.70



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

5.A 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.

Particulars	As at March 31, 2021					
	Unit	Notional	Fair value Asset	Unit	Notional	Fair value liability
(i) Embedded derivatives*						
In market linked debentures	-	-	0.37	-	-	55.12
Subtotal(i)			0.37			55.12
(ii) Equity linked derivatives						
Stock Futures	No of Shares	2,80,884	2.39	No of Shares	19,64,450	13.16
Options purchased	No of Shares	10,250	1.11			
Options sold (written)				No of Shares	10,250	0.19
Less: Offset with Margin			(2.39)			(13.16)
Subtotal(ii)			1.11			0.19
(iii) Index linked derivatives						
Index Futures	Index Units	8,625	3.24	Index Units	1,29,025	17.85
Options purchased	Index Units	3,05,875	623.71			
Options sold (written)				Index Units	2,70,875	49.11
Less: Offset with Margin			(3.24)			(17.85)
Subtotal(iii)			623.71			49.11
Total Derivative Financial Instruments		Total	625.19		Total	104.42

Particulars	As at March 31, 2020					
	Unit	Notional	Fair value Asset	Unit	Notional	Fair value liability
(i) Embedded derivatives*						
In market linked debentures	-	-	17.84	-	-	5.70
Total Derivative Financial Instruments		Total	17.84		Total	5.70

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.

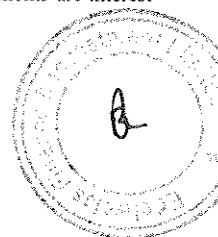
*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. refer Note 2.5.5 for further details.

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 42.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

5.B 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:

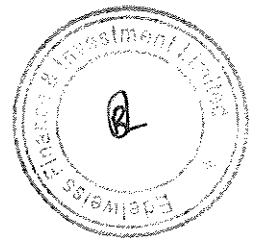
Financial Assets and Liabilities subject to offsetting, netting arrangements

As at March 31, 2021	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk After consideration of netting potential
	Gross assets before offset	Amount offset	Net assets recognised in balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential			
Derivative Assets	5.63	(5.63)	-	-	-	-	625.19	625.19	625.19
Margin Placed with Brokers *	2,628.30	(25.38)	2,602.92	-	-	2,602.92	-	2,602.92	2,602.92

As at March 31, 2021	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk After consideration of netting potential
	Gross liability before offset	Amount offset	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential			
Derivative Liabilities	31.01	(31.01)	-	-	-	-	104.42	104.42	104.42

*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.

Financials assets and liabilities as at March 31, 2020 that are subject to offsetting, netting arrangements is Rs Nil.



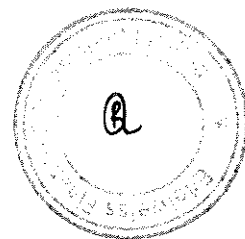
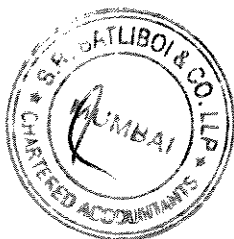
Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6. Securities held for trading

Particulars	As at March 31, 2021	As at March 31, 2020
At Fair Value Through Profit and Loss		
(i) Government Debt Securities	84.23	-
(ii) Debt securities	155.24	0.21
(iii) Exchange Traded Funds / Mutual funds	123.74	30.79
(iv) Equity Shares	1,711.16	-
Total	2,074.37	31.00
(i) Investments outside India	-	-
(ii) Investments in India	2,074.37	31.00
Total	2,074.37	31.00



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2021	As at March 31, 2020
7. Receivables		
a) Trade receivables		
Receivables considered good - Unsecured	230.94	11.90
Less : Allowance for expected credit losses	(14.70)	-
Trade Receivables (a)	216.24	11.90
b) Other receivables		
Receivables considered good - Unsecured	23.35	13.73
Less : Allowance for expected credit losses	-	-
Other receivables (b)	23.35	13.73
Total Receivables (a) + (b)	239.59	25.63

c) Reconciliation of impairment allowance on trade and lease receivables:

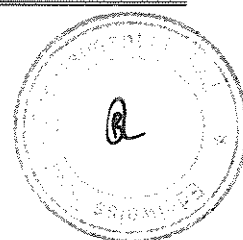
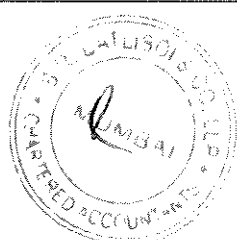
	For the year ended March 31, 2021	For the year ended March 31, 2020
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	-	-
Add/ (less): asset originated or acquired (net)	14.70	-
Impairment allowance - Closing Balance	14.70	-

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 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, 2021	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default	185.40	57.63	1.27	9.99	-	-	254.29
ECL - Simplified approach	0.65	4.00	0.38	9.67	-	-	14.70
Net carrying amount	184.75	53.63	0.89	0.32	-	-	239.59
As at March 31, 2020	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default	25.63	-	-	-	-	-	25.63
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	25.63	-	-	-	-	-	25.63

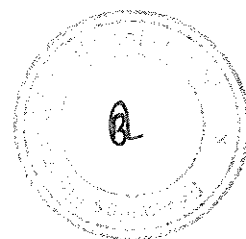
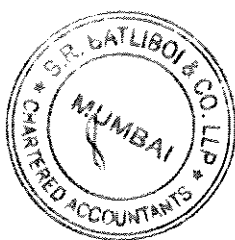


Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2021	As at March 31, 2020
8. Loans (at Amortised cost)		
Other loans		
Corporate credit	2,198.72	3,275.74
Retail Credit	11,962.66	3,142.83
Total gross	14,161.38	6,418.57
Less: Impairment loss allowance (Refer Note 8.A)	(56.94)	(25.67)
Total net	14,104.44	6,392.90
Secured by marketable securities & unlisted securities	11,285.43	2,881.58
Unsecured	2,875.95	3,536.99
Total gross	14,161.38	6,418.57
Less: Impairment loss allowance (Refer Note 8.A)	(56.94)	(25.67)
Total net	14,104.44	6,392.90
Loans in India		
Public sector	-	-
Others	14,161.38	6,418.57
Total Gross	14,161.38	6,418.57
Less: Impairment loss allowance (Refer Note 8.A)	(56.94)	(25.67)
Total net	14,104.44	6,392.90



Edelweiss Finance & Investments Limited
Notes to financial statements (continued)

(Currency - Indian rupees in million)

8.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.

Loans at Amortised Cost

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	13,571.20	-	-	13,571.20	6,271.19	-	-	6,271.19
Standard grade	-	590.18	-	590.18	-	147.38	-	147.38
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	13,571.20	590.18	-	14,161.38	6,271.19	147.38	-	6,418.57

Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances:

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.

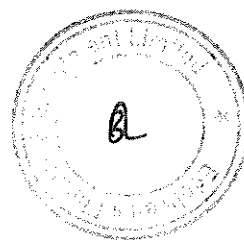
The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

Reconciliation / movement for the year ended March 31, 2021

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	6,271.19	25.08	147.38	0.59	-	-	6,418.57	25.67
Transfer of financial assets								
Stage I to Stage II	(105.33)	(0.42)	105.33	0.42	-	-	-	-
Stage I to Stage III	-	-	-	-	-	-	-	-
Stage II to Stage III	-	-	-	-	-	-	-	-
Stage II to Stage I	82.05	0.33	(82.05)	(0.33)	-	-	-	-
Remeasurement of ECL arising from transfer of (FVTPL)	-	-	-	-	-	-	-	-
New assets originated / repayments received (net)	7,323.28	29.59	419.52	1.68	-	-	7,742.81	31.27
Earns sold to ARC	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	13,571.20	54.58	590.18	2.36	-	-	14,161.38	56.94

Reconciliation / movement for the year ended March 31, 2020

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	-	-	-	-	-	-	-	-
New assets originated / repayments received (net)	6,271.19	25.08	147.38	0.59	-	-	6,418.57	25.67
Closing balance	6,271.19	25.08	147.38	0.59	-	-	6,418.57	25.67



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

9. Other financial assets

	As at March 31, 2021	As at March 31, 2020
Deposits placed with exchange/depositories	52.20	121.00
Deposits- others	0.45	1.03
Margin placed with broker (refer note 5.B)	2,602.92	11.62
Accrued interest on margin	-	0.25
Advances recoverable in cash or in kind or for value to be received	5.22	0.29
	2660.79	134.19

10. Current tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Advance income taxes (net)	147.02	136.65
	147.02	136.65

11. Deferred tax assets (net)

Deferred tax assets

Loans

Expected credit loss	18.03	6.46
Unamortised processing fees - EIR on lending	15.81	-

Property, Plant and Equipment & Intangible assets

Difference between book and tax depreciation	1.34	1.48

Investment and other financial instruments

Unrealised loss on derivatives	10.79	-

Employee benefit obligations

Disallowances under section 43B of the Income Tax Act, 1961	1.15	0.13

47.12 **8.07**

Deferred tax liabilities

Borrowing

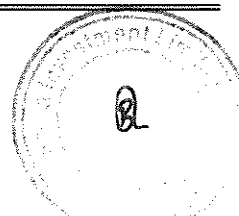
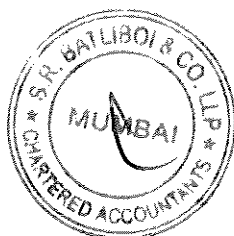
Unamortised processing fees - EIR on Borrowing	0.11	-

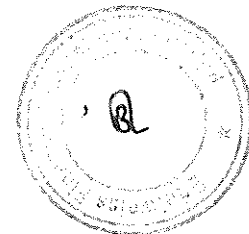
Investment and other financial instruments

Fair valuation - securities held for trading	8.97	0.25
Unrealised gain on derivatives	14.73	-

23.81 **0.25**

23.31 **7.82**





Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

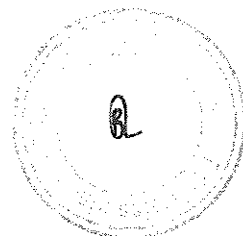
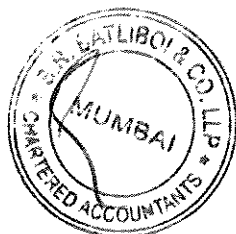
	As at March 31, 2021	As at March 31, 2020
13. Other non-financial assets		
(Unsecured considered good, unless stated otherwise)		
Input tax credit	-	40.77
Others	9.01	9.01
Vendor Advances	8.16	12.38
Contribution to gratuity fund (net) (refer note 31)	-	1.36
Prepaid expenses	6.15	3.62
	23.32	67.14

	As at March 31, 2021	As at March 31, 2020
14. 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	173.79	62.01
	173.79	62.01

14.A Details of dues to micro and small enterprises

Trade Payables includes Rs.Nil (March 31, 2020: 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.

	As at March 31, 2021	As at March 31, 2020
15. Debt securities		
<i>at amortised cost</i>		
(Refer Note 15.A and 15.B)		
Redeemable non-convertible debentures - secured		
Market linked debentures	8,003.62	1,145.26
Public issue	2,219.13	2,219.13
Unamortized EIR - Debt securities	(68.92)	(116.56)
Interest Accrued on Debt Securities	59.84	33.90
Total	10,213.67	3,281.73
Debt securities in India	10,213.67	3,281.73
Debt securities outside India	-	-
Total	10,213.67	3,281.73



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

15.A Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2021

Redeemable non-convertible debentures - secured

Month				As at March 31, 2021 Total				As at March 31, 2020 Total
	9% - 10%	10.01% - 11%	MLD*		9% - 10%	10.01% - 11%	MLD*	
Mar-21	-	-	-	-	-	-	368.38	368.38
Apr-21	-	-	83.63	83.63	-	-	-	-
May-21	-	-	51.36	51.36	-	-	-	-
Jun-21	-	-	511.02	511.02	-	-	-	-
Jul-21	-	-	142.15	142.15	-	-	24.72	24.72
Aug-21	482.45	-	21.10	503.55	482.45	-	-	482.45
Sep-21	-	-	1,160.31	1,160.31	-	-	-	-
Feb-22	-	-	1,785.05	1,785.05	-	-	70.04	70.04
Mar-22	-	-	362.20	362.20	-	-	186.55	186.55
Aug-22	-	-	497.87	497.87	-	-	-	-
Oct-22	-	-	135.05	135.05	-	-	-	-
Dec-22	-	-	1,582.95	1,582.95	-	-	101.28	101.28
Feb-23	351.52	-	254.88	606.39	351.52	-	228.83	580.35
Jun-23	-	-	60.30	60.30	-	-	54.72	54.72
Feb-24	-	-	111.76	111.76	-	-	-	-
Feb-25	443.93	401.49	-	845.42	443.93	401.49	-	845.42
Mar-24	-	-	29.11	29.11	-	-	-	-
Jul-26	-	-	1,175.09	1,175.09	-	-	-	-
Dec-26	-	-	25.00	25.00	-	-	110.73	110.73
Feb-30	263.41	276.34	-	539.74	263.41	276.34	-	539.75
Apr-30	-	-	14.80	14.80	-	-	-	-
	1,541.31	677.82	8,003.62	10,222.75	1,541.31	677.83	1,145.25	3,364.39

Add: interest accrued ** 59.84 33.90
Less: unamortised issuance cost (68.92) (116.56)

10,213.67

3,281.73

*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

15.B Details of debt securities:

Redeemable non-convertible debentures - secured

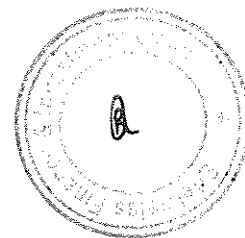
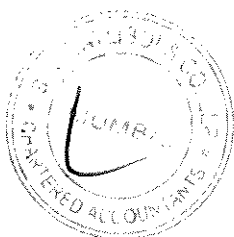
Public issue:

Debentures are secured by way of a charge in favour of the Debenture Trustee on present and/or future receivables and/or pari passu charge on an identified immovable property of the Company as may be decided mutually by our Company and the Debenture Trustee.

Market linked debentures:

Market linked debentures are secured by first charge / pari passu charge, as the case may be, on property and on present & future receivables, loans, securities, investments & other financial assets.

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.



Edelweiss Finance & Investments Limited

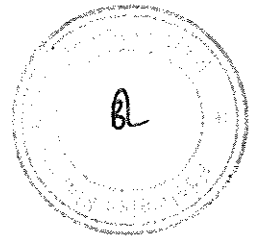
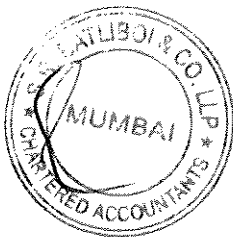
Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2021	As at March 31, 2020
16. Borrowings other than Debt Securities		
<i>(at amortised cost)</i>		
<u>Unsecured</u>		
Loan from related parties (refer note 39)	3,363.86	29.28
(Repayable on demand, Interest payable in range 9.25% to 10.35% for March 31, 2021 and in the range of 11.60% to 11.75% for March 31, 2020)		
	3,363.86	29.28
Borrowings in India	3,363.86	29.28
Borrowings outside India	-	-
	3,363.86	29.28
17. Subordinated Liabilities		
<i>(at Amortised Cost)</i>		
<u>Unsecured</u>		
Preference Shares - privately placed	145.79	310.38
(i) Subsidiaries	-	-
(ii) Other	145.79	310.38
Interest accrued - subordinated liabilities	14.21	30.17
	160.00	340.55
Subordinated liabilities in India	160.00	340.55
Subordinated liabilities outside India	-	-
	160.00	340.55

The Preference Shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The Preference Shares were allotted on July 19, 2013. The Preference Shares are Cumulative and Redeemable. The Preference Shares carry a Cumulative dividend of 14.625%. The Preference Shares will be redeemed at a premium of Rs. 5 per preference share over the Face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment. The Company and the investor can seek the early redemption of preference shares after 5 years from the date of allotment by giving early redemption notice from May 16 to May 31, every year. In such a case, Company shall redeem preference shares within 30 days of receiving early redemption notice.

In line with the terms, during the year ended March 31, 2021, the Company has redeemed 1,09,73,000 preference shares basis the early redemption requests received. Consequently, as required under the Companies Act, the Company has also transferred amount Rs. 109.73 Million, being face value of preference shares redeemed, to capital redemption reserve from its free reserves.



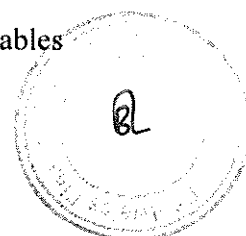
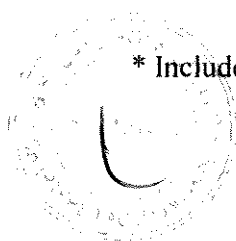
Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2021	As at March 31, 2020
18. Other financial liabilities		
Other payables	5.85	17.75
Accrued salaries and benefits	68.25	0.02
Unpaid dividends	3.45	3.45
	77.55	21.22
	As at March 31, 2021	As at March 31, 2020
19. Current tax liabilities (net)		
Provision for taxation (net)	10.04	34.43
	10.04	34.43
	As at March 31, 2021	As at March 31, 2020
20. Provisions		
Provision for employee benefits		
Gratuity (net) (refer note 31)	29.59	-
Compensated leave absences	4.55	0.54
Others	9.05	9.01
	43.19	9.55
	As at March 31, 2021	As at March 31, 2020
21. Other non-financial liabilities		
Statutory liabilities*	24.71	6.22
Others	2.90	6.41
	27.61	12.63

* Includes withholding taxes, provident fund, profession tax and other statutory dues payables



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
22. Equity share capital				
Authorised :				
Equity Shares of Rs. 10 each	4,16,20,000	416.20	4,16,20,000	416.20
Preference shares of Rs 10 each	3,13,80,000	313.80	3,13,80,000	313.80
	7,30,00,000	730.00	7,30,00,000	730.00
Issued, Subscribed and Paid up:				
Equity Shares of Rs. 10 each	1,14,59,105	114.59	83,35,332	83.35
	1,14,59,105	114.59	83,35,332	83.35

22.A Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	83,35,332	83.35	34,35,332	34.35
Shares issued during the year (Refer note below)	31,23,773	31.24	49,00,000	49.00
Outstanding at the end of the year	1,14,59,105	114.59	83,35,332	83.35

Notes:

During the financial year 2020-21, the Company has issued 31,23,773 fully paid-up equity shares of Rs. 10 each at a premium of Rs 550.22 each for the consideration of Rs. 1750.00 million to Edelweiss Securities Limited through rights issue.

22.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.

22.C Shares held by holding/ultimate holding company

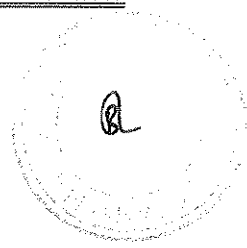
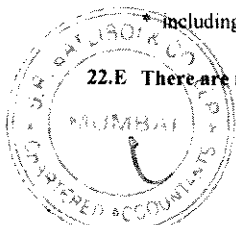
	As at March 31, 2021		As at March 31, 2020	
	No of shares	% holding	No of shares	% holding
Holding company				
Edelweiss Securities Limited*	1,14,59,105	100.00%	52,43,534	62.91%
Fellow subsidiaries				
Edelweiss Financial Services Limited	-	0.00%	30,91,798	37.09%
	1,14,59,105	100.00%	83,35,332	100.00%

22.D Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2021		As at March 31, 2020	
	No of shares	% holding	No of shares	% holding
Holding company				
Edelweiss Securities Limited*	1,14,59,105	100.00%	52,43,534	62.91%
Fellow subsidiaries				
Edelweiss Financial Services Limited	-	0.00%	30,91,798	37.09%
	1,14,59,105	100.00%	83,35,332	100.00%

* including 6 shares held by nominees of Edelweiss Securities Limited

22.E There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

23. Other Equity

	As at March 31, 2021	As at March 31, 2020
a. Capital redemption reserve	226.32	116.59
b. Securities Premium Reserve	5,086.37	3,367.61
c. Statutory Reserve	989.92	961.23
d. General Reserve	-	-
e. Retained Earnings	82.54	74.74
f. Deemed capital contribution - Equity	15.18	15.18
	6,400.33	4,535.35

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. General Reserve

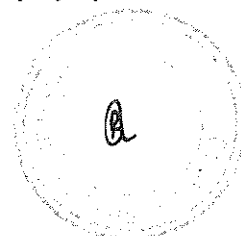
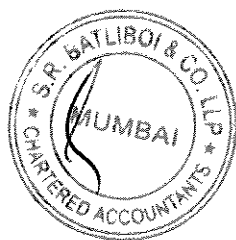
General reserve comprises of the Company's undistributed earnings which are transferred from the retained earnings.

e. Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

f. Deemed capital contribution - Equity

Deemed capital contribution - Equity relates to Share options granted to eligible employees of the company by the parent company under its employee share option plan.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

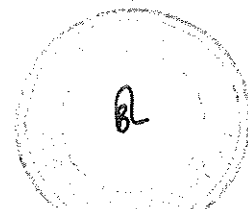
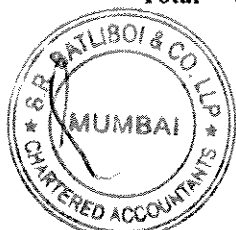
(Currency : Indian rupees in million)

23. Other Equity

23. Other Equity (continued)

B. Movement in Other Equity

	As at March 31, 2021	As at March 31, 2020
I. Capital redemption reserve		
Opening Balance	116.59	9.71
Add : Additions during the year	109.73	106.88
	226.32	116.59
II. Securities Premium Reserve		
Opening Balance	3,367.61	711.81
Add : Premium received on issue of equity shares	1,718.76	2,655.80
	5,086.37	3,367.61
III. Statutory Reserve		
Opening Balance	961.23	921.04
Add : Reserve created for the year	28.69	40.19
	989.92	961.23
IV. General Reserve		
Opening Balance	-	90.26
Less: Transfer to Capital Redemption Reserve	0.00	(90.26)
	-	-
V. Retained Earnings		
Opening Balance	74.74	(49.49)
Add: Profit / (loss) for the year	143.50	184.29
Add: Other Comprehensive Income	2.72	(3.25)
Amount available for appropriation (a)	220.96	131.55
Appropriations:		
Transfer to Special Reserve	(28.69)	(40.19)
Transfer to Capital Redemption Reserve	(109.73)	(16.62)
Appropriations (b)	(138.42)	(56.81)
Total V - (a - b)	82.54	74.74
VI. Deemed capital contribution - Equity		
Opening Balance	15.18	15.18
Add : Additions during the year	-	-
	15.18	15.18
Total = (I+II+III+IV+V+VI)	6,400.33	4,535.35



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

24. Interest Income

On Financial assets measured at amortised cost

Interest income on Loans	1,265.91	98.55
Interest income on fixed deposits with Bank	39.70	1.10
Interest income on collateralised borrowing and lending operations	-	37.43
Other interest income		
- On margin with brokers	2.74	16.01
- On others	2.55	0.95

On Financial assets measured at fair value through profit or loss

Interest income from debt securities held for trading	9.23	1,036.10

1,320.13	1,190.14

25. Dividend Income

Dividend on securities held for trading	0.33	-

0.33	-

26. Fee income

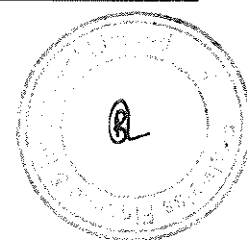
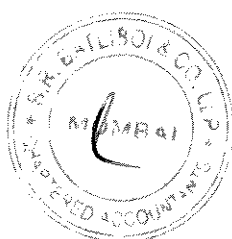
Processing and other fees	206.09	15.28

206.09	15.28

27 Other income

Profit on sale of property, plant and equipment (net)	0.32	0.01
Interest on income tax refund	0.58	1.51
Other	0.78	-

1.68	1.52



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

28. Finance costs

On Financial Liabilities measured at Amortised Cost

Interest on borrowings

- Interest on collateralised borrowing and lending operations	0.85	55.87
- Interest on clearcorp repo order matching system	-	717.68
- Interest on loan from fellow subsidiaries	60.53	55.24
- Interest on bank overdraft	-	-
- Discounting charges on commercial papers	37.43	-
- Interest on Intercompany deposits	-	46.39

Interest on debt securities

- Interest on debentures (public issue)	286.11	41.23
- Interest on market linked debentures	570.72	1.02

Interest on subordinated liabilities

- Dividend on preference shares	17.34	34.08

Other interest expense

- Finance and bank charges	8.96	6.54
- Collateralised borrowing and lending charges	-	26.33

981.94 984.38

29. Net gain/(loss) on fair value changes (including treasury income)

Net gain/ (loss) on financial instruments at fair value through profit or loss

On securities held for trading	472.22	823.96
On derivative financial instrument	5.52	(545.54)

477.74 278.42

Fair value changes

Realised	429.87	277.44
Unrealised	47.87	0.98

477.74 278.42

30. Impairment on financial instruments

Expected credit loss

on Loans	31.27	25.67
on Receivables	14.70	-

45.97 25.67

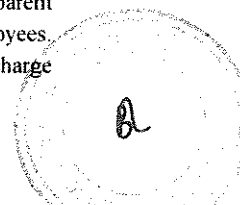
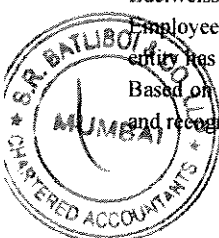
31. Employee benefits expense

Salaries, wages and bonus	473.67	75.61
Contribution to provident and other funds	24.14	1.94
Expense on share based payments - Refer Note below	5.33	2.01
Staff welfare expenses	7.65	0.81

510.79 80.37

Notes:

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



Edelweiss Financial Services Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

31. Employee benefits expense (continued)

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.

Amount of Rs. 16.4 million (previous year: Rs. 1.91 million) is recognised as expenses and included in "Employee benefits expense".

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 plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. 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.

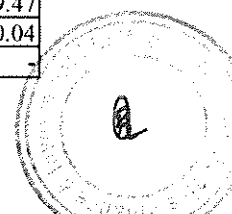
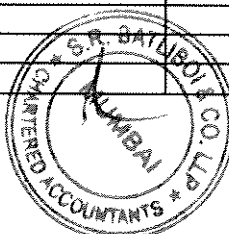
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2021	March 31, 2020
Present Value of DBO at Start of the year	4.28	7.91
<i>Service Cost</i>		
a. Current Service Cost	5.80	0.47
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Interest Cost	1.91	0.26
Benefits Paid	(0.78)	-
Re-measurements	-	-
a. Actuarial Loss/(Gain) from changes in demographic assumptions	(1.86)	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	2.18	0.25
c. Actuarial Loss/(Gain) from experience over last past year	1.54	(0.36)
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer In / (Out)	28.00	(4.24)
Present Value of DBO at end of the year	41.07	4.28

Reconciliation of Fair Value of Plan Assets

	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at start of the year	9.47	9.41
<i>Contributions by Employer</i>	0.78	0.03
Benefits Paid	(0.78)	-
Interest Income Plan Assets	0.56	0.66
Re-measurements	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	1.45	(0.62)
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Fair Value of Plan Assets at end of the year	11.48	9.47
<i>Actual Return on Plan Assets</i>	2.01	0.04
<i>Expected Employer Contributions for the coming year</i>	30.00	-



Edelweiss Financial Services Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

31. Employee benefits expense (continued)

Expenses recognised in the Profit and Loss Account

	March 31, 2021	March 31, 2020
<i>Service Cost</i>		
a. Current Service Cost	5.80	0.47
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	1.57	(0.40)
Changes in foreign exchange rate	-	-
Employer Expenses	7.38	0.07

Net Liability / (Asset) recognised in the Balance sheet

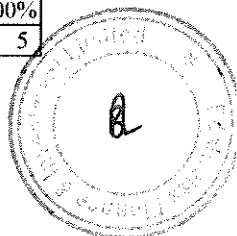
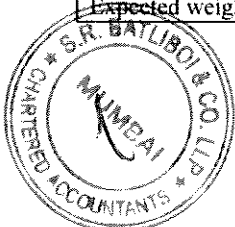
	March 31, 2021	March 31, 2020
Present Value of DBO	41.07	4.28
Fair Value of Plan Assets	11.48	9.47
Liability / (Asset) recognised in the Balance Sheet	29.59	(5.18)
Funded Status [Surplus/ (Deficit)]	(29.59)	5.18
Less: Amount not recognized as asset [Effect of limiting net assets to asset ceiling]	-	3.82
Liability / (Asset) recognised in the Balance Sheet	(29.59)	1.36
Of which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	1.54	(0.36)

Percentage Break-down of Total Plan Assets

	March 31, 2021	March 31, 2020
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	99.01%	99.6%
Of which, Unit Linked	99.01%	99.6%
Of which, Traditional/ Non-Unit Linked	-	-
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	0.99%	0.4%
Total	100%	100%

Actuarial assumptions:

	March 31, 2021	March 31, 2020
Salary Growth Rate (% p.a)	7.00%	7.00%
Discount Rate (% p.a)	5.00%	5.90%
Withdrawal Rate (% p.a)		
<i>Senior</i>	25.00%	13.00%
<i>Middle</i>	25.00%	18.00%
<i>Junior</i>	25.00%	25.00%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest Rate on Net DBO / (Asset) (% p.a)	5.90%	7.00%
Expected weighted average remaining working life (years)	3	5



Edelweiss Financial Services Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

31. Employee benefits expense (continued)

Movement in Other Comprehensive Income

	March 31, 2021	March 31, 2020
Balance at start of year (Loss)/ Gain	(4.17)	0.16
<i>Re-measurements on DBO</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	1.86	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	(2.18)	(0.25)
c. Actuarial Loss/(Gain) from experience over last past year	(1.54)	0.36
<i>Re-measurements on Plan Assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	1.45	(0.62)
<i>Re-measurements on asset ceiling</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	4.05	(3.82)
Balance at end of year (Loss)/ Gain	(0.53)	(4.17)

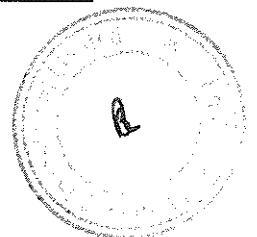
Sensitivity Analysis

DBO increases / (decreases) by	March 31, 2021	March 31, 2020
1 % Increase in Salary Growth Rate	1.57	0.24
1 % Decrease in Salary Growth Rate	(1.48)	(0.23)
1 % Increase in Discount Rate	(1.49)	(0.23)
1 % Decrease in Discount Rate	1.62	0.25
1 % Increase in Withdrawal Rate	(0.12)	(0.01)
1 % Decrease in Withdrawal Rate	0.13	0.01
Mortality (Increase in expected lifetime by 1 year)	0.00	-
Mortality (Increase in expected lifetime by 3 year)	0.01	0.00

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Movement in Surplus / (Deficit)

	March 31, 2021	March 31, 2020
Surplus / (Deficit) at start of year	1.36	1.50
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	(28.00)	4.24
<i>Movement during the year</i>		
Current Service Cost	(5.80)	(0.47)
Past Service Cost	-	-
Net Interest on net DBO	(1.57)	0.40
Changes in foreign exchange rate	-	-
Re-measurements	3.64	(4.34)
Contributions / Benefits	0.78	0.03
Surplus / (Deficit) at end of year	(29.59)	1.36



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

32. Other expenses

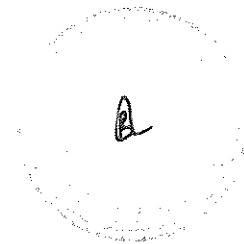
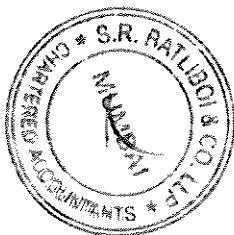
	For the year ended March 31, 2021	For the year ended March 31, 2020
Advertisement and business promotion	5.51	0.51
Auditors' remuneration	3.53	2.83
Commission and brokerage	48.56	2.20
Communication	6.47	4.23
Directors' sitting fees	0.58	0.30
Insurance	0.22	0.13
Legal and professional fees	26.41	13.30
Printing and stationery	0.67	0.27
Rates and taxes	0.33	0.49
Rent	52.58	8.18
Repairs and maintenance	0.22	0.20
Computer expenses	12.50	0.43
Computer software	5.36	4.74
Corporate social responsibility	2.10	-
Clearing & custodian charges	1.11	3.33
Dematerialisation charges	0.45	-
Rating support fees	5.26	0.22
Membership and subscription	2.67	2.17
Office expenses	21.11	55.92
Postage and courier	0.31	0.01
ROC Expenses	0.09	-
Securities transaction tax	22.35	-
Goods & Service tax expenses	28.78	11.53
Stamp duty	4.95	7.08
Stock exchange expenses	11.08	0.49
Transportation Charges	0.09	-
Travelling and conveyance	11.24	3.47
Warehousing charges	0.15	-
Miscellaneous expenses	0.58	1.58
Asset usage cost	0.70	0.03
Outside Services - Others	0.98	2.24
	276.94	125.88

32.A Auditors' remuneration:

As a Auditor

Audit fees	2.56	2.56
Certification fees	0.45	0.15
Reimbursement of expenses	0.07	0.12
Condensed and Specipal Purpose Financial Statement	0.45	-
	3.53	2.83

In addition to above, during FY 19-20 the year the Company has paid an amount of Rs. 4.12 million to statutory auditors towards certification fees for Public issue of NCDs. The fees paid to the statutory auditors has been amortised as over the NCD period and the same has been considered in calculation of Effective Interest Rate (EIR)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

32.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.

2.10

9.39*

Amount Spent (paid in cash)

i) Construction/ acquisition of any assets

-

-

ii) On purpose other than (i) above

2.10

-

Amount Spent (yet to be paid in cash)

i) Construction/ acquisition of any assets

-

-

ii) On purpose other than (i) above

-

-

2.10

-

Amount paid to EdelGive Foundation

(refer note 39 related party disclosure)

2.10

-

Paid to external parties

-

-

2.10

-

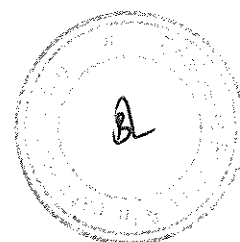
*An amount of Rs. 308.14 million (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended March 31, 2020, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2020.

32.C Operating leases

The Company has taken premises on operating lease. Rental expenses for the year aggregated to Rs.49.19 million (Previous year Rs.7.32 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

32.D Cost sharing

Edelweiss Financial Services Limited, being the company exercising significant influence over Company's Holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group mediclaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies (if any) are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 31 and 32 include reimbursements paid and are net of the reimbursements received based on the management's best estimate are Rs. 38.55 million (previous year Rs. 63.67 million)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

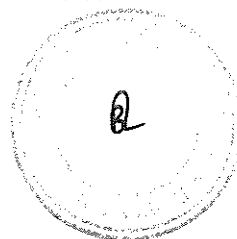
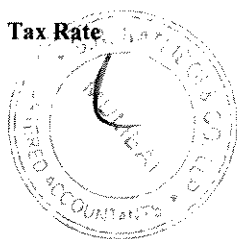
33. Income Tax

33.A Component of Income Tax Expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	60.02	28.78
Adjustment in respect of current income tax of prior years	(2.48)	(15.62)
Deferred tax relating to temporary differences	(15.49)	66.21
Total Tax Charge for the year	42.05	79.37
Current Tax	57.54	13.16
Deferred Tax	(15.49)	66.21

33.B Reconciliation of total tax charge

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) before Taxes	185.55	263.66
Statutory Income Tax rate	25.17%	25.17%
Tax Charge at Statutory Rate	46.70	66.36
Adjustment in respect of current income tax of prior years	(2.48)	(15.62)
Tax effect of :		
Non deductible expenses		
Dividend on Preference shares	4.36	8.58
Interest on shortfall of advance tax	0.25	0.45
Donation expense	0.53	
Impact on account of adoption of new tax regime	-	18.21
Others	(7.31)	1.39
Total tax expenses reported in Statement of Profit and Loss	42.05	79.37
Effective Income Tax Rate	22.66%	30.10%



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

33.C Movement of Deferred Tax assets

Financial year 2020-21

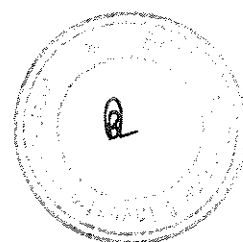
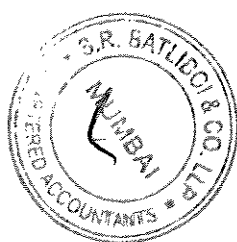
Movement for the period (2020-21)

	As on April 1, 2020	Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Others	Total movement	As on March 31, 2021
Deferred tax assets							
Property, Plant and Equipment & Intangible assets	1.47	(0.13)	-	-	-	(0.13)	1.34
Unrealised loss on Derivatives	-	10.79	-	-	-	10.79	10.79
Employee benefits obligations	0.13	1.02	-	-	-	1.02	1.15
Expected credit loss provision	6.46	11.57	-	-	-	11.57	18.03
Others	-	15.70	-	-	-	15.70	15.70
Deferred tax liabilities							
Fair valuation of investments and securities held for trading - gain in valuation	(0.24)	(8.73)	-	-	-	(8.73)	(8.97)
Unrealised gain on derivatives	-	(14.73)	-	-	-	(14.73)	(14.73)
Deferred tax assets (net)	7.82	15.49	-	-	-	15.49	23.31

Financial year 2019-20

Movement for the period (2019-20)

	As on April 1, 2019	Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Others	Total movement	As on March 31, 2020
Deferred tax assets							
Property, Plant and Equipment & Intangible assets	2.07	(0.60)	-	-	-	(0.60)	1.47
Unrealised loss on derivatives	89.78	(89.78)	-	-	-	(89.78)	-
Employee benefits obligations	0.48	(0.35)	-	-	-	(0.35)	0.13
Expected credit loss provision	-	6.46	-	-	-	6.46	6.46
Others	1.83	(1.83)	-	-	-	(1.83)	-
Deferred tax liabilities							
Fair valuation of investments and securities held for trading - gain in valuation	(19.73)	19.49	-	-	-	19.49	(0.24)
Unrealised gain on derivatives	(0.40)	0.40	-	-	-	0.40	-
Deferred tax assets (net)	74.03	(66.21)	-	-	-	(66.21)	7.82



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

34. 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 period.

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, 2021	For the year ended March 31, 2020
Net profit / (loss) attributable to Equity holders of the Company	(A)	143.50	184.29
Weighted average Number of Shares			
- Number of equity shares outstanding at the beginning of the year		83,35,332	34,35,332
- Number of equity shares issued during the year		31,23,773	49,00,000
Total number of equity shares outstanding at the end of the year		1,14,59,105	83,35,332
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	84,03,798	34,48,720
Basic and diluted earnings per share (in rupees)	(A / B)	17.07	53.44

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

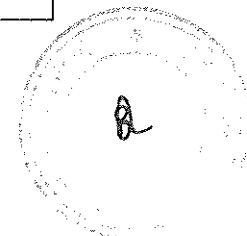
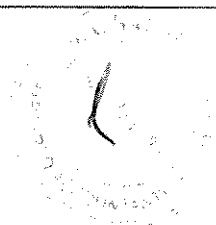
35. Contingent Liability :

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.

Contingent Liability

	As at March 31, 2021	As at March 31, 2020
Taxation matters related to income tax for Assessment year 2009-10 2013-14, 2014-15 and 2018-19 in respect of which appeal is pending	5.14	0.60
Taxation matter related to Value added tax for FY 2016-17 in respect of which appeal is pending	0.29	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

36. 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	Retail financing
Agency Business	Income from Advisory services

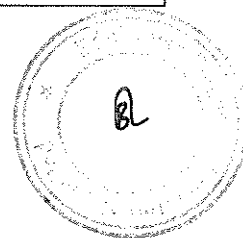
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities 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, 2021

Particulars	Financing business	Capital based business	Agency business	Unallocated	Total
Revenue from Operations					
Interest Income	1,266.40	53.73	-	-	1,320.13
Other Operating income	-	478.07	206.09	1.68	685.84
Total Revenue from Operations	1,266.40	531.80	206.09	1.68	2,005.97
Interest Expenses	903.37	77.57	-	1.00	981.94
Other Expenses	484.23	183.02	171.23	-	838.48
Total Expenses	1,387.60	260.59	171.23	1.00	1,820.42
Segment profit before taxation	(121.20)	271.21	34.86	0.68	185.55
Income Tax Expenses	-	-	-	42.05	42.05
Profit for the year	(121.20)	271.21	34.86	(41.37)	143.50
Other Comprehensive Income	-	-	-	2.72	2.72
Total comprehensive income	(121.20)	271.21	34.86	(38.65)	146.22
Segment Assets	14,735.76	5,683.75	57.74	211.80	20,689.05
Segment Liabilities	12,523.75	1,554.65	32.80	62.93	14,174.13
Capital expenditure	2.19	0.36	0.76	-	3.31
Depreciation and amortisation	1.52	3.01	0.25	-	4.78
Significant non-cash items	31.27	-	14.70	-	45.97



Edelweiss Finance & Investments Limited

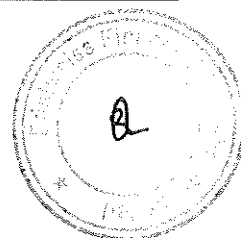
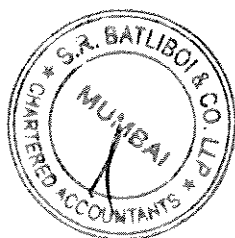
Notes to financial statements (continued)

(Currency : Indian rupees in million)

36. Segment Reporting (continued)

Segment information as at and for the year ended March 31, 2020

Particulars	Financing business	Capital based business	Agency business	Unallocated	Total
Revenue from Operations					
Interest Income	98.55	1,091.55	-	0.04	1,190.14
Other Operating income	8.17	278.43	-	8.62	295.22
Total Revenue from Operations	106.72	1,369.98	-	8.66	1,485.36
Interest Expenses	13.86	968.71	-	1.81	984.38
Other Expenses	87.34	145.15	-	4.83	237.32
Total Expenses	101.20	1,113.86	-	6.64	1,221.70
Segment profit/(loss) before taxation	5.52	256.12	-	2.02	263.66
Income Tax Expenses	-	-	-	79.37	79.37
Profit for the year	5.52	256.12	-	(77.35)	184.29
Other Comprehensive Income	-	-	-	(3.25)	(3.25)
Total comprehensive income	5.52	256.12	-	(80.60)	181.04
Segment Assets	8,026.28	189.99	-	199.53	8,415.80
Segment Liabilities	3,710.61	36.54	-	49.95	3,797.10
Capital expenditure	0.34	0.92	-	-	1.26
Depreciation and amortisation	0.65	4.75	-	-	5.40
Significant non-cash items	25.42	(0.66)	-	-	24.76



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

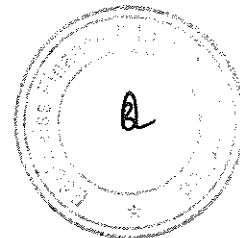
(Currency : Indian rupees in million)

37. Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at April 01, 2020	Cash Flows	Changes in Fair value	Other	As at March 31, 2021
Debt Securities	3,281.73	6,931.94	-	-	10,213.67
Borrowings (other than debt securities)	29.28	3,334.58	-	-	3,363.86
Subordinated Liabilities	340.55	(180.55)	-	-	160.00
	3,651.56	10,085.97	-	-	13,737.53

Particulars	As at April 01, 2019	Cash Flows	Changes in Fair value	Others	As at March 31, 2020
Debt Securities	-	3,281.73	-	-	3,281.73
Borrowings (other than debt securities)	19,215.17	(19,185.89)	-	-	29.28
Subordinated Liabilities	516.59	(176.04)	-	-	340.55
	19,731.76	(16,080.20)	-	-	3,651.56



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

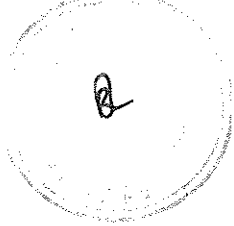
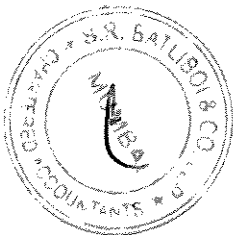
38. Maturity Analysis of assets and liabilities

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, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	779.47	-	779.47	1,587.54	-	1,587.54
Bank balances other than cash and cash equivalents	3.45	-	3.45	3.45	-	3.45
Derivative financial instruments	625.08	0.11	625.19	-	17.84	17.84
Securities held for trading	2,074.37	-	2,074.37	31.00	-	31.00
Trade receivables	216.24	-	216.24	11.90	-	11.90
Other receivables	23.35	-	23.35	13.73	-	13.73
Loans	14,104.44	-	14,104.44	6,392.90	-	6,392.90
Other financial assets	2,660.79	-	2,660.79	134.19	-	134.19
Non-financial assets						
Current tax assets (net)	-	147.02	147.02	-	136.65	136.65
Deferred tax assets (net)	-	23.31	23.31	-	7.82	7.82
Property, Plant and Equipment	-	5.62	5.62	-	6.09	6.09
Other Intangible assets	-	2.48	2.48	-	5.55	5.55
Other non-financial assets	8.16	15.16	23.32	16.00	51.14	67.14
Total Assets	20,495.35	193.70	20,689.05	8,190.71	225.09	8,415.80
Financial Liabilities						
Derivative financial instruments	49.30	55.12	104.42	-	5.70	5.70
Trade payables	173.79	-	173.79	62.01	-	62.01
Debt securities	4,640.67	5,573.00	10,213.67	349.89	2,931.84	3,281.73
Borrowings (other than debt securities)	3,363.86	-	3,363.86	29.28	-	29.28
Subordinated Liabilities	14.21	145.79	160.00	194.77	145.79	340.55
Other financial liabilities	77.55	-	77.55	21.22	-	21.22
Non-financial liabilities						
Current tax liabilities (net)	10.04	-	10.04	34.43	-	34.43
Provisions	4.59	38.60	43.19	0.09	9.47	9.55
Other non-financial liabilities	27.61	-	27.61	9.37	3.26	12.63
Total Liabilities	8,361.62	5,812.51	14,174.13	701.05	3,096.05	3,797.10
Net Assets	12,133.73	(5,618.81)	6,514.92	7,489.66	(2,870.96)	4,618.70

(A) List of related parties and relationship:

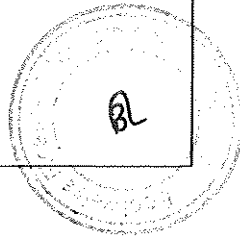
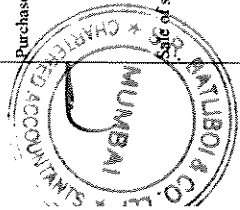
Relationship	Name of related parties
Ultimate Holding Company	Edelweiss Financial Services Limited (Upto March 26, 2021) PAGAC Ecstasy Pte Limited (w.e.f March 27, 2021)
Parent of Holding company	Edelweiss Global Wealth Management Limited (w.e.f March 27, 2021)
Holding Company	Edelweiss Securities Limited
Company exercising significant influence over Holding company	Edelweiss Financial Services Limited (W.e.f March 27, 2021)
Fellow Subsidiaries (up to March 26, 2021) and Associate companies (W.e.f March 27, 2021) (with whom transaction have taken place)	ECL Finance Limited ECap Equities Limited Edel Land Limited Edelweiss Housing Finance Limited Edelweiss Retail Finance Limited EdelGive Foundation Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) Edelweiss Tokio Life Insurance Company Limited Edelweiss General Insurance Limited Edel Investments Limited Edelcap Securities Limited Edel Finance Company Limited Edelweiss Asset Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Comtrade Ltd Edelweiss Securities And Investments Private Limited Edelweiss Alternative Asset Advisors Limited Edelweiss International (Singapore) Pte. Ltd. Edelweiss Gallagher Insurance Brokers Limited Edelweiss Multi Strategy Fund Advisors LLP
Fellow Subsidiaries (April 01, 2020 to March 31, 2021) (with whom transaction have taken place)	Edelweiss Custodial Services Limited ESL Securities Limited Edelweiss Financial Services Inc. Edelweiss Financial Services (UK) Limited Edelweiss Securities (Hong Kong) Private Limited Edelweiss Broking Limited Edelweiss Securities (IFSC) Limited Edelweiss Investment Advisors Pte Ltd (Singapore) Edelweiss Alternative Asset Advisors Pte Limited.
Key Management Personnel	Venkatchalam Ramaswamy (Non-executive Director) S. Ranganathan (Non-executive Director) upto March 26, 2021 Shabnam Panjwani (Non-executive Director) upto March 26, 2021 Mr. Kunnasagan Chinniah (Independent Director) upto March 16, 2021 Mr. P.N. Venkatchalam (Independent Director) upto March 16, 2021 Mr. Ramesh Abhishek (Non-executive Director) w.e.f. March 26, 2021 Mr. Pankaj Razdan (Non-executive Director) w.e.f. March 26, 2021 Mr. Nikhil Srivastava (Non-executive Director) w.e.f. March 26, 2021 Ms. Pooja Doshi (Company Secretary) Mr. Shivaraman Iyer (Chief Financial Officer) upto July 31, 2021 Mr. Jagdish Bhoir (Chief Financial Officer) w.e.f. August 1, 2020 Mr. Tushar Agrawal (Chief Executive Officer)
Relatives of KMP and entity in which KMP/ Relatives has substantial Interest	Kenai Advisors LLP Aparna T Chandrashekar Mabella Investment Adviser LLP



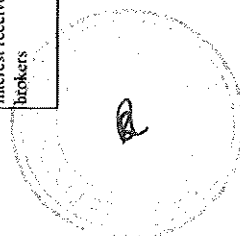
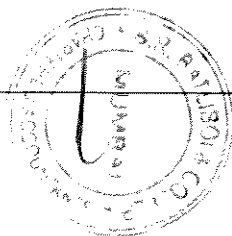
ii. Transactions with related parties : (FY 2020-2021)

ii. Transactions with related parties : (FY 2020-2021)									
Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/ V of Entity exercising significant influence with whom the Company has transactions	Amount in Millions	
								KMPs	
Current account transactions									
Loans taken from (Max Basic)	Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	- 2,000.00	-	-	-	-	-	350.00	-
Loans taken from (Actual Basis)	Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	- 3,355.00	-	-	-	-	-	1,533.50	-
Loan repaid to (Max Basis)	Edelweiss Rural & Corporate Services Limited Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	- - -	-	-	-	-	-	28.80 543.50	-
Loan repaid to	Edelweiss Rural & Corporate Services Limited Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	- - -	-	-	-	-	-	28.94 1,533.50	-
Loans given to (Max Basis)	Edelweiss Broking Limited ECap Equities Limited ESL Securities Limited	- - -	-	-	-	-	-	1,200.50 569.50 30.00	-
Loans given to (Actual Basis)	Edelweiss Broking Limited ECap Equities Limited ESL Securities Limited	- - -	-	-	-	-	-	15,498.80 1,774.12 40.00	-
Repayment of loans by (Max Basis)	Edelweiss Broking Limited ECap Equities Limited ESL Securities Limited	- - -	-	-	-	-	-	1,480.00 780.00	-
Repayment of loans by (Actual Basis)	Edelweiss Broking Limited ECap Equities Limited ESL Securities Limited	- - -	-	-	-	-	-	16,059.30 2,343.62	-
Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest	Jagdish Bhoir Venkatchalam Ramaswamy S. Ranganathan Mr. Pankaj Razdan Tushar Agrawal Kenai Advisors LLP Aparna T Chandrashekar Mabella Investment Adviser LLP	- - - - - - - -	-	-	-	-	-	-	2.91 0.70 21.36 1.71 2.98 10.71 350.19 444.59
Loan repaid including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest	Jagdish Bhoir Venkatchalam Ramaswamy S. Ranganathan Mr. Pankaj Razdan Tushar Agrawal Kenai Advisors LLP Aparna T Chandrashekar Mabella Investment Adviser LLP	- - - - - - - -	-	-	-	-	-	-	0.84 0.70 21.36 2.61 25.30 10.71 107.32 90.81

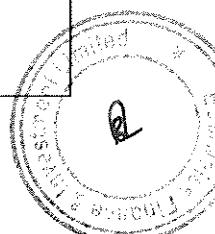
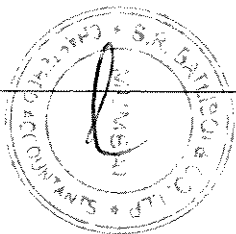
Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/ JV of Entity exercising significant influence with whom the company has transactions	KMPs
Inter corporate deposits (ICDs) taken from	Edelweiss Securities Limited	-	920.00	-	-	-	-	-
Inter corporate deposits (ICDs) repaid to	Edelweiss Securities Limited	-	920.00	-	-	-	-	-
B. Secondary market transactions								
Purchases of securities held for trading from	ECL Finance Limited	-	-	-	4,024.12	-	10.58	-
	Edel Finance Company Limited	-	-	-	10.94	-	-	-
	Edelweiss Broking Limited	-	-	-	346.56	-	-	-
	Edelweiss General Insurance Limited	-	-	-	352.99	-	-	-
	Edelweiss Securities And Investments Private Limited	-	-	-	371.08	-	-	-
Sale of securities held for trading to	ECL Finance Limited	-	-	-	1,284.61	-	-	-
	Edelweiss Broking Limited	-	-	-	1,939.29	-	-	-
	Edelweiss Securities Limited	-	1,215.27	-	-	-	-	-
	Edelweiss Securities And Investments Private Limited	-	-	-	637.32	-	-	-
	Edelweiss General Insurance Limited	-	-	-	47.84	-	-	-
	Edelweiss Asset Management Limited	-	-	-	-	-	-	-
Margin placed with	Edelweiss Securities Limited	-	12,729.67	-	-	-	-	-
	Edel Investments Limited	-	-	-	0.52	-	5.13	-
	Edelweiss Custodial Services Limited	-	-	-	18,392.13	-	-	-
Margin refund received from	Edelweiss Securities Limited	-	12,513.50	-	-	-	-	-
	Edel Investments Limited	-	-	-	0.52	-	0.13	-
	Edelweiss Custodial Services Limited	-	-	-	16,091.52	-	-	-
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	-	7,121.16	-	-	-	-	-
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	-	5,553.91	-	-	-	-	-
Purchase of fixed asset from	Edelweiss Broking Limited	-	-	-	1.10	-	-	-
	Edelcap Securities Limited	-	-	-	0.01	-	-	-
	Edelweiss Financial Services Limited	0.01	-	-	-	-	-	-
	Edel Finance Company Limited	-	-	-	0.09	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	0.07	-	-	-
	Edelweiss Global Wealth Management Limited	-	-	-	0.03	-	-	-
	Edelweiss Securities Limited	-	0.04	-	-	-	-	-
	Edelweiss Housing Finance Limited	-	-	-	0.03	-	-	-
	ECL Finance Limited	-	-	-	0.40	-	-	-
	Ecap Equities Limited	-	-	-	0.09	-	-	-
	Edelweiss Asset Reconstruction Company Limited	-	-	-	0.01	-	-	-
	Edelweiss Asset Management Limited	-	-	-	0.03	-	-	-
	Edelweiss Retail Finance Limited	-	-	-	0.00	-	-	-
	Edelweiss Comtrade Ltd	-	-	-	0.00	-	-	-
	Edelweiss Multi Strategy Fund Advisors LLP	-	-	-	0.01	-	-	-
	Edelweiss Gallagher Insurance Brokers Limited	-	-	-	0.02	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	0.04	-	-	-



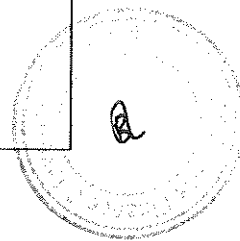
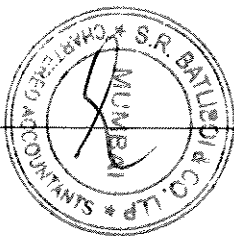
Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/ V of Entity exercising significant influence with whom the Company has transactions	KMPs
Sale of fixed asset to	ECL Finance Limited Edelweiss Custodial Services Limited Edelweiss Rural & Corporate Services Limited Edelweiss Securities Limited Edelweiss Retail Finance Limited Edelap Securities Limited Edel Investments Limited Ecap Equities Limited Edelweiss Broking Limited ESL Securities Limited Edelweiss Global Wealth Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Broking Limited	- - - - - - - - - - - - -	- - - 0.07 - - - - - - - - -	- - - - - - - - - - - - -	0.13 0.01 0.01 - 0.01 0.01 0.01 0.75 0.05 0.02 0.03 0.00 1.94	- - - - - - - - - - - - -	- - - - - - - - - - - - -	- - - - - - - - - - - - -
Amount paid to								
C. Other transactions								
Interest income on loan given to	Ecap Equities Limited Edelweiss Broking Limited ESL Securities Limited	- - -	- - -	- - -	19.50 116.21 0.57	- - -	- - -	- - -
Interest Income on Loan given to KMP, its Relative and its entity in which KMP/Relative has substantial Interest	Jagdish Bhoir Venkatchalam Ramaswamy S. Ranganathan Mr. Pankaj Razdan Tushar Agrawal Kenai Advisors LLP Aparna T Chandrasekar Mabella Investment Adviser LLP	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	- - - - - - - -	0.16 0.38 1.66 0.54 0.11 8.69 12.76
Interest received on debt instruments from	ECL Finance Limited Edelweiss Housing Finance Limited Edelweiss Retail Finance Limited	- - -	- - -	- - -	0.01 0.02 0.00	- - -	0.27 0.00 0.00	- - -
Interest Expense on loan taken from	Ecap Equities Limited	-	-	-	-	-	-	-
Interest Expense on loan taken from	Edelweiss Rural & Corporate Services Limited Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	- - 43.44	- - -	- - 4.25	0.28 11.38 -	- - -	- 0.00 -	- - -
Interest expense on ICDs taken from	Edelweiss Securities Limited	-	1.18	-	-	-	-	-
Interest received on margin placed with brokers	Edelweiss Custodial Services Limited Edel Investments Limited	- -	- -	- -	2.76 -	- -	- -	- -



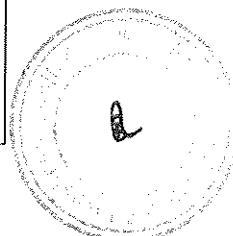
Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/ J V of Entity exercising significant influence with whom the Company has transactions	KMPs
Cost reimbursement paid to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited ECL Finance Limited Ecap Equities Limited Edelweiss Securities Limited Edelweiss Housing Finance Limited Edelweiss Asset Management Limited Edelweiss Global Wealth Management Limited Edelweiss Alternative Asset Advisors Limited Edelweiss International (Singapore) Pte. Ltd.	12.96 - - - - - - - - 0.02 - -	- - - - - 4.09 - - - - - -	0.08 - - - - - - - - - - -	- 32.88 19.23 0.36 1.91 14.12 - - 0.16 1.30 0.02 - 2.10	- - - - - - - - - - -	- 0.42 - - 0.00 0.19 - - - - - - -	- - - - - - - - - - -
Donation to	EdelGive Foundation	-	-	-	-	-	-	-
Corporate Guarantee support fee	Edelweiss Financial Services Limited	1.98	-	0.02	-	-	-	-
Rating support fees paid to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited	0.06 -	- -	- -	- 0.14	- -	- -	- -
Clearing charges and Stamp duty paid to	Edelweiss Custodial Services Limited	-	-	-	0.75	-	-	-
Commission and brokerage paid to	Edelweiss Securities Limited Edelweiss Broking Limited Edel Investments Limited	- - -	12.31 - -	- - -	- 123.58 -	- -	- 0.08 -	- -
Advisory fee paid to	Edelweiss Financial Services Limited	2.50	-	-	-	-	-	-
Insurance Expenses	Edelweiss General Insurance Limited	-	-	-	7.15	-	-	-
Remuneration to Chief Executive Officer (refer note 2 below)	Tushar Agrawal Venkatchalam Ramaswamy	- -	- -	- -	- -	- -	- -	5.22 -
Sitting fees paid to non executive director	P.N. Venkatachalam Kunnasagaran Chinniah	- -	- -	- -	- -	- -	- -	0.32 0.26
Balances with related parties								
Liabilities								
Corporate guarantee taken from	Edelweiss Financial Services Limited	-	-	145.79	-	-	-	-
Interest expenses accrued and due on borrowings	Edelweiss Rural & Corporate Services Limited Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	- - -	- - -	- - 7.32	- - -	- - -	- 1.54 -	- - -



Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/J V of Entity exercising significant influence with whom the Company has transactions	KMPS
Trade payables to	Edelweiss Financial Services Limited	-	5.50	-	-	-	-	-
	Edelweiss Securities Limited	-	-	-	-	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	4.91	-	-	-	-	-
	Edelweiss Broking Limited	-	-	-	-	-	4.45	-
	ECap Equities Limited	-	-	-	26.08	-	-	-
	Edelweiss Retail Finance Limited	-	-	-	-	-	1.56	-
	ECL Finance Limited	-	-	-	-	-	-	-
	Edelweiss Housing Finance Limited	-	-	-	-	-	0.05	-
	Edelweiss Asset Management Limited	-	-	-	-	-	0.02	-
	Edelweiss Global Wealth Management Limited	-	-	-	-	-	-	-
	Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	0.18	-
	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	-	0.00	-
	Edelcap Securities Limited	-	-	-	-	-	0.44	-
	Edelweiss Multi Strategy Fund Advisors LLP	-	-	-	-	-	0.07	-
	Edelweiss Gallagher Insurance Brokers Limited	-	-	-	-	-	0.01	-
Unsecured loan taken from	Edelweiss Custodial Services Limited	-	-	-	0.04	-	-	-
	Edel Finance Company Limited	-	-	-	-	-	-	-
	Edelweiss General Insurance Limited	-	-	-	-	-	0.00	-
	ESI Securities Limited	-	-	-	-	-	0.13	-
	Edelgive Foundation	-	-	-	-	-	0.00	-
Unsecured loan taken from	Edelweiss Rural & Corporate Services Limited	-	-	-	-	-	-	-
	Edelweiss Securities And Investments Private Limited	-	-	-	-	-	-	-
	Edelweiss Financial Services Limited	-	3,355.00	-	-	-	-	-
	Edelweiss Securities And Investments Private Limited	-	-	-	-	-	0.69	-
	ECap Equities Limited	-	-	-	-	-	50.40	-
Debt securities	Edelweiss Broking Limited	-	-	-	5.90	-	-	-
	ECL Finance Limited	-	-	-	-	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	-	-	-
	ECL Finance Limited	-	-	-	-	-	20.33	-
	Edelweiss Housing Finance Limited	-	-	-	-	-	0.15	-
Assets	Edelweiss Retail Finance Limited	-	-	-	-	-	0.43	-
	Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	7.33	-
	ECap Equities Limited	-	-	-	-	-	-	-
	Edelweiss Financial Services Limited	-	19.06	-	-	-	-	-
	ECL Finance Limited	-	-	-	-	-	-	-
Securities held for trading - Debentures of	Edelweiss Rural & Corporate Services Limited	-	-	-	-	-	-	-
	Edelweiss Retail Finance Limited	-	-	-	-	-	0.27	-
	Edelweiss Housing Finance Limited	-	-	-	-	-	0.00	-
Accrued interest income on debentures of	Edelweiss Retail Finance Limited	-	-	-	-	-	0.01	-
	Edelweiss Housing Finance Limited	-	-	-	-	-	-	-
	Edelweiss Financial Services Limited	-	-	-	-	-	-	-



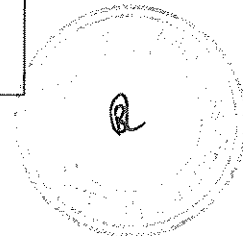
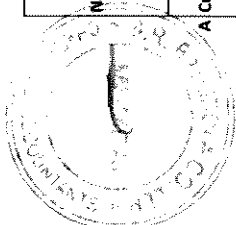
Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/s V of Entity exceeding significant influence with whom the Company has transactions	KMPs
Trade & other receivables	Edelweiss Financial Services Limited	-	-	0.44	-	-	-	-
	ECL Finance Limited	-	-	-	-	-	8.45	-
	Edelweiss Securities Limited	-	0.13	-	-	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	0.01	-	-	-
	Edelcap Securities Limited	-	-	-	-	-	0.59	-
	Edel Finance Company Limited	-	-	-	-	-	5.38	-
	Edel Land Limited	-	-	-	-	-	0.60	-
	Ecap Equities Limited	-	-	-	-	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	-	1.68	-
	Edelweiss Broking Limited	-	-	-	0.35	-	-	-
	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	-	-	-
	Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	0.15	-
	Edelweiss Global Wealth Management Limited	0.04	-	-	-	-	-	-
	Edelweiss International (Singapore) Pte. Ltd.	-	-	-	-	-	0.00	-
Loan given to	ESL Securities Limited	-	-	-	0.03	-	-	-
	Ecap Equities Limited	-	-	-	-	-	5.30	-
	Edelweiss Asset Management Limited	-	-	-	-	-	0.00	-
	Edel Investments Limited	-	-	-	-	-	0.09	-
	Edelweiss Contrade Ltd	-	-	-	-	-	0.11	-
	Edelweiss Insurance Brokers Limited	-	-	-	-	-	-	-
	Edelweiss Multi Strategy Fund Advisors LLP	-	-	-	-	-	-	-
	Edelweiss Broking Limited	-	-	-	2,140.00	-	-	-
	Ecap Equities Limited	-	-	-	-	-	-	-
	ESL Securities limited	-	-	-	40.00	-	-	-
Loan Given including Interest accrued to KMP, its Relative and entity in which KMP and its Relative has substantial Interest	Jagdish Bhoir	-	-	-	-	-	-	2.06
	Mr. Pankaj Razdan	-	-	-	-	-	-	12.09
	Aparna T Chandrashekar	-	-	-	-	-	-	242.87
	Matibella Investment Adviser LLP	-	-	-	-	-	-	353.78
Interest accrued on loans given to	Edelweiss Broking Limited	-	-	-	18.20	-	-	-
	Ecap Equities Limited	-	-	-	-	-	-	-
	ESL Securities limited	-	-	-	0.52	-	-	-
Margin Placed with Brokers	Edelweiss Securities Limited	-	215.32	-	-	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	2,310.76	-	-	-
	Edelweiss Broking Limited	-	-	-	71.84	-	-	-
	Edel Investments Limited	-	-	-	-	-	5.00	-



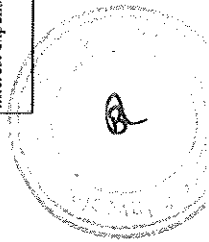
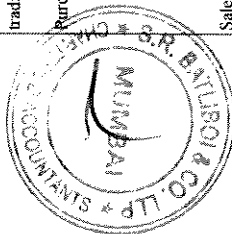
ii. Transactions with related parties : (FY 2019-20)

Amount in Millions

Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/JV of Entity exceeding significant influence with whom the Company has transactions	KMPs
A. Current account transactions								
Loans taken from (Max Basis)	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	-	-	-	5,300.00 9,000.00	-	-	-
Loans taken from (Actual Basis)	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	-	-	-	49,269.70 22,340.00	-	-	-
Loan repaid to (Max Basis)	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	-	-	-	5,010.00 5,000.00	-	-	-
Loan repaid to (Actual Basis)	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	-	-	-	49,720.97 26,906.00	-	-	-
Loans given to (Max Basis)	Edelweiss Broking Limited ECap Equities Limited	-	-	-	2,700.00 400.00	-	-	-
Loans given to (Actual Basis)	Edelweiss Broking Limited ECap Equities Limited	-	-	-	4,245.00 599.50	-	-	-
Repayment of loans by (Max Basis)	Edelweiss Broking Limited ECap Equities Limited	-	-	-	600.00 30.00	-	-	-
Repayment of loans by (Actual Basis)	Edelweiss Broking Limited ECap Equities Limited	-	-	-	600.00 30.00	-	-	-
Inter corporate deposits (ICDs) taken from	Edelweiss Securities Limited	-	4,773.20	-	-	-	-	-
Inter corporate deposits (ICDs) repaid to	Edelweiss Securities Limited	-	4,773.20	-	-	-	-	-
B. Secondary market transactions								
Purchases of securities held for trading from	ECCL Finance Limited Edel Finance Company Limited	-	-	-	724.39 0.84	-	-	-



Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/ JV of Entity exercising significant influence with whom the Company has transactions	KMPs
Sale of securities held for trading to	ECL Finance Limited	-	-	-	1,646.89	-	-	-
	Edelweiss Broking Limited	-	-	-	85.05	-	-	-
	Edel Finance Company Limited	-	-	-	101.35	-	-	-
Margin placed with	Edelweiss Securities Limited	-	1.62	-	-	-	-	-
	Edel Investments Limited	-	-	-	1.93	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	2,586.68	-	-	-
Margin refund received from	Edelweiss Securities Limited	-	1.63	-	-	-	-	-
	Edel Investments Limited	-	-	-	2.00	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	2,670.84	-	-	-
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	-	875.42	-	-	-	-	-
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	-	922.84	-	-	-	-	-
Purchase of fixed asset from	Edelweiss Broking Limited	-	-	-	0.00	-	-	-
	Edelcap Securities Limited	-	-	-	0.04	-	-	-
	Edelweiss Financial Services Limited	-	-	-	0.01	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	0.00	-	-	-
	Edelweiss Global Wealth Management Limited	-	-	-	0.00	-	-	-
	Edelweiss Securities Limited	-	0.00	-	-	-	-	-
Sale of fixed asset to	ECL Finance Limited	-	-	-	0.04	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	0.00	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	0.00	-	-	-
	Edelweiss Securities Limited	-	0.00	-	-	-	-	-
C. Other transactions								
Interest income on loan given to	Ecap Equities Limited	-	-	-	3.12	-	-	-
	Edelweiss Broking Limited	-	-	-	3.26	-	-	-
	ESI, Securities Limited	-	-	-	-	-	-	-
Interest received on debt instruments from	ECL Finance Limited	-	-	-	0.14	-	-	-
	Edelweiss Housing Finance Limited	-	-	-	0.02	-	-	-
	Edelweiss Retail Finance Limited	-	-	-	0.00	-	-	-
Interest Expense on loan taken from	Ecap Equities Limited	-	-	-	26.13	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	29.11	-	-	-
Interest expense on ICDs taken from	Edelweiss Securities Limited	-	46.39	-	-	-	-	-



Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/ Associate/JV of Entity exceeding significant influence with whom the Company has transactions	KMPs
Interest received on margin placed with brokers	Edelweiss Custodial Services Limited Edel Investments Limited	- -	- -	- -	7.59 0.00	- -	- -	- -
Cost reimbursement paid to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited ECL Finance Limited Ecap Equities Limited Edelweiss Securities Limited Edelweiss Housing Finance Limited	8.90 - - - - - - -	- - - - - - 0.06 -	- - - - - - - -	- 54.66 0.02 0.03 11.73 0.45 - 0.45	- - - - - - - -	- - - - - - - -	
Corporate Guarantee support fee	Edelweiss Financial Services Limited	4.67	-	-	-	-	-	-
Rating support fees paid to	Edelweiss Financial Services Limited	0.22	-	-	-	-	-	-
Clearing charges and Stamp duty paid to	Edelweiss Custodial Services Limited	-	-	-	2.98	-	-	-
Commission and brokerage paid to	Edelweiss Securities Limited Edelweiss Broking Limited Edel Investments Limited	- - -	81.32 - -	- - -	- 27.90 0.03	- - -	- - -	- - -
Advisory fee paid to	Edelweiss Financial Services Limited	5.05	-	-	-	-	-	-
Remuneration payable to executive director	Venkatchalam Ramaswamy	-	-	-	-	-	-	24.43
Sitting fees paid to non executive director	P. N. Venkatachalam Kummasagaran Chinniah	- -	- -	- -	- -	- -	- -	0.26 0.04
Balances with related parties								
Liabilities								
Corporate guarantee taken from	Edelweiss Financial Services Limited	310.38	-	-	-	-	-	-
Interest expenses accrued and due on borrowings	Edelweiss Rural & Corporate Services Limited	-	-	-	0.34	-	-	-
Trade payables to	Edelweiss Financial Services Limited Edelweiss Securities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Broking Limited Ecap Equities Limited Edelweiss Retail Finance Limited ECL Finance Limited Edelweiss Housing Finance Limited	6.66 - - - - - - -	- 2.04 - - - - - -	- - - - - - - -	- - 11.26 0.27 0.00 0.01 15.55 1.34	- - - - - - - -	- - - - - - - -	
Unsecured loan taken from	Edelweiss Rural & Corporate Services Limited	-	-	-	28.94	-	-	-

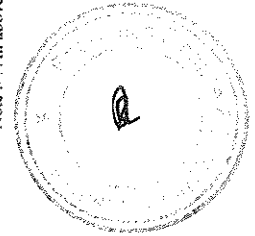
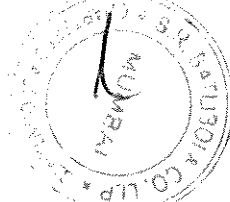
Nature of Transactions	Related Party Name	Ultimate holding company	Holding Company	Companies exercises significant influence over holding company	Fellow Subsidiaries	Associates	Subsidiaries/Associate/JV of Entity exceeding significant influence with whom the Company has transactions	KMPs
Assets								
Securities held for trading -								
Debt securities of	ECIL Finance Limited	-	-	-	0.05	-	-	-
	Edelweiss Housing Finance Limited	-	-	-	0.12	-	-	-
	Edelweiss Retail Finance Limited	-	-	-	0.03	-	-	-
Accrued interest income on								
debt securities of	ECIL Finance Limited	-	-	-	0.00	-	-	-
	Edelweiss Retail Finance Limited	-	-	-	0.00	-	-	-
	Edelweiss Housing Finance Limited	-	-	-	0.01	-	-	-
Trade & other receivables								
	Edelweiss Financial Services Limited	10.62	-	-	-	-	-	-
	ECIL Finance Limited	-	-	-	0.39	-	-	-
	Edelweiss Securities Limited	-	0.11	-	-	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	0.81	-	-	-
	Edelcap Securities Limited	-	-	-	0.04	-	-	-
	Edel Finance Company Limited	-	-	-	0.74	-	-	-
	Edel Land Limited	-	-	-	0.60	-	-	-
Loan given to								
	Edelweiss Broking Limited	-	-	-	2,700.50	-	-	-
	Ecap Equities Limited	-	-	-	569.50	-	-	-
Interest accrued on loans given to								
	Edelweiss Broking Limited	-	-	-	2.93	-	-	-
	Ecap Equities Limited	-	-	-	2.81	-	-	-
Margin Placed with Brokers								
	Edelweiss Securities Limited	-	-	-	1.20	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	9.76	-	-	-
	Edelweiss Broking Limited	-	-	-	0.67	-	-	-

^ Less than Rs.0.01 million

Note 1: During the year, the controlling stake in the Edelweiss Securities Limited, the Parent Company, was transferred by its erstwhile Ultimate Parent, Edelweiss Financial Services Limited ("EFSL"), to Edelweiss Global Wealth Management Limited ("EGWML"), the new parent entity, as a part of the overall transaction consummated with PAGAC Ecstasy Pte. Ltd ("PAG"). PAG has infused CCDs in EGWML, whereby it acquired controlling interest in relation to the Wealth Management business only.

Note 2: Edelweiss Finvest Limited (formerly Edelweiss Finvest Private Limited) was merged into Edel Finance Company Limited with effect from April 09, 2021. Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged entity are considered to be transacted with Edel Finance Company Limited and disclosed accordingly.

Note 3: All above transactions are in the ordinary course of business and are at arms length price.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

40. 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.

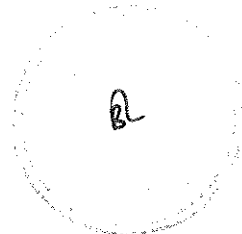
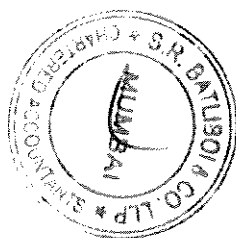
Regulatory Capital

The Company, being an NBFC, has to maintain a minimum capital to risk-weighted asset ratio of 15% in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

The regulatory capital is computed as below:

Particulars	As at March 31, 2021	As at 31 March 2020
Capital Funds		
Net owned funds (Tier I capital)	4,831.66	1,784.99
Tier II capital	217.43	336.05
Total capital	5,049.09	2,121.04
Total risk weighted assets/ exposures	18,001.85	3,783.63
% of capital funds to risk weighted assets/exposures:		
Tier I capital	26.84%	47.18%
Tier II capital	1.21%	8.88%
Total capital Funds	28.05%	56.06%

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 Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

41. Fair Value measurement:

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 2.11 for more details on fair value hierarchy

B. Valuation governance framework

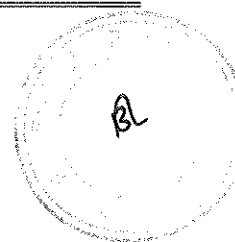
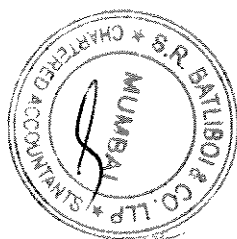
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by 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.

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, 2021	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	-	-	0.37	0.37
Exchange traded derivatives	630.45	-	-	630.45
Total derivative financial instruments - A	630.45	-	0.37	630.82
Financial Assets held for trading				
Gsec Bonds	84.23	-	-	84.23
Other debt securities	-	155.24	-	155.24
Equity Shares	1,700.72	10.44	-	1,711.16
Exchange traded fund units, Mutual fund and AIF units	106.35	17.39	-	123.74
Total Financial assets held for trading - B	1,891.30	183.07	-	2,074.37
Total Financial assets measured at fair value (A+B)	2,521.75	183.07	0.37	2,705.19
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	-	-	55.12	55.12
Exchange traded derivatives	80.31	-	-	80.31
Total derivative financial instruments	80.31	-	55.12	135.43
Total Financial liabilities measured at fair value	80.31	-	55.12	135.43



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

41. Fair Value measurement:

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	-	-	17.84	17.84
Total derivative financial instruments - A	-	-	17.84	17.84
Financial Assets held for trading				
Other debt securities	-	0.21	-	0.21
Exchange traded fund units	30.79	-	-	30.79
Total Financial assets held for trading - B	30.79	0.21	-	31.00
Total Financial assets measured at fair value (A+B)	30.79	0.21	17.84	48.84
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	-	-	5.70	5.70
Total derivative financial instruments	-	-	5.70	5.70
Total Financial liabilities measured at fair value	-	-	5.70	5.70

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

Whilst most of these instruments are standard fixed rate securities. Fair value of these instruments 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.

Equity instruments, units of mutual fund and Exchange traded fund units:

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. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 2.

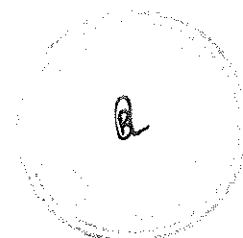
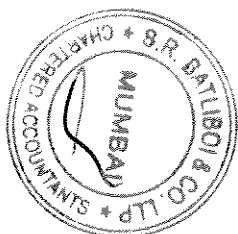
Exchange traded derivatives:

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.

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.

The 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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

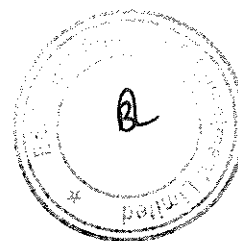
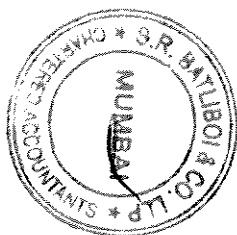
41. Fair Value measurement:

E. There have been no transfers between levels during the year ended March 31, 2021 and March 31, 2020.

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 31, 2021	Embedded options		
	Assets	Liabilities	Net balance
At April 1, 2020	17.84	5.70	12.14
Issuances	9.70	13.98	(4.29)
Settlements	-	-	-
Change in Value of the Options	(27.17)	35.44	(62.60)
At March 31, 2021	<u>0.37</u>	<u>55.12</u>	<u>(54.75)</u>

Financial year ended March 31, 2020	Embedded options		
	Assets	Liabilities	Net balance
At April 1, 2019	-	-	-
Issuances	17.84	5.70	12.14
Settlements	-	-	-
At March 31, 2020	<u>17.84</u>	<u>5.70</u>	<u>12.14</u>



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

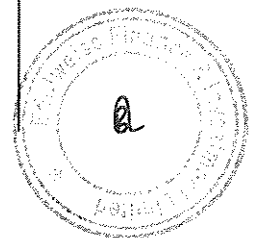
(Currency : Indian rupees in million)

41. Fair Value measurement:

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 Liability as on 31 March 2021	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
Embedded derivatives (net)	(54.75)	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level & Equal Weighted Bank Basket - HDFCB KOTAK AXIS SBI ICICI	14752.3 & 1200.18	5% increase in Nifty Index curve	5.71	5% Decrease in Nifty Index curve	(5.96)
					1% increase in Risk-adjusted discount rate	1.72	1% Decrease in Risk-adjusted discount rate	(1.70)
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
Embedded derivatives (net)	12.14	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	0.24	5% Decrease in Nifty Index curve	(0.22)
					1% increase in Risk-adjusted discount rate	0.06	1% Decrease in Risk-adjusted discount rate	(0.06)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

41. Fair Value measurement:

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. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is difference that the carrying amount. For the remaining financial assets and financial liabilities measured at amortised cost. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2021	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans	14,104.44	-	-	13,755.66	13,755.66
Financial Liabilities					
Debt securities	10,213.67	-	-	9,015.87	9,015.87
Subordinated Liabilities	160.00	-	-	156.37	156.37
As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans	6,392.90	-	-	6,381.57	6,381.57
Financial Liabilities					
Debt securities	3,281.73	-	3,160.78	-	3,160.78
Borrowings (other than debt securities)	340.55	-	334.84	-	334.84

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

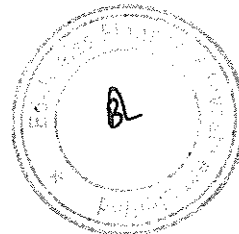
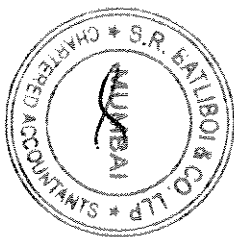
Carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, trade payables, Borrowings (other than debt securities) approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities is not significant in each of the years presented.

Financial assets at amortised cost

The fair values of 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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management

42.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

42.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 Company 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 Company 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.

42.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.

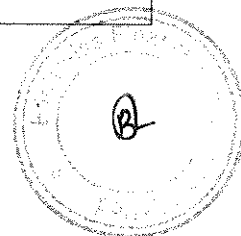
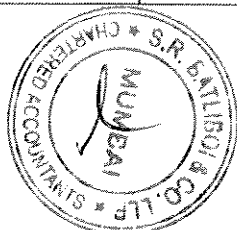
It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

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

42.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
42.D.1	Credit risk 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 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.
42.D.2	Liquidity risk 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
42.D.3	Market risk 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 Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42.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 I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

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)

The 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.

42.D.1 Credit Risk (continued)

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. Company calculates the 12 month PD by taking into account the 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. Since the Company is into the business of lending against securities, haircut as per company's risk policy is applied on the value of the collateral, based on Basel haircut values for corporate securities. The exposure amount that is over and above the collateral (with haircut) is considered as the effective exposure. The LGD of 65% is used for the unsecured exposure portfolio carries.

Exposure at Default (EAD)

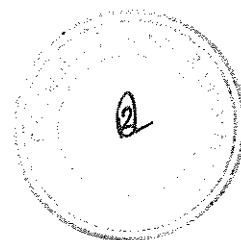
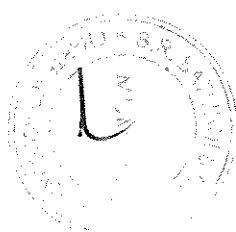
The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values.

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 Finance & Investments Limited
Notes to financial statements (continued)

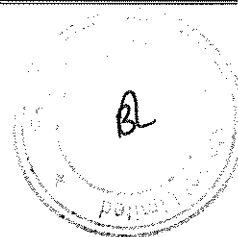
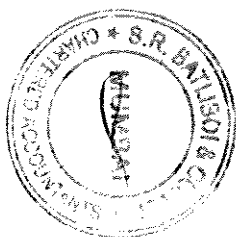
(Currency : Indian rupees in million)

As at March 31, 2021

Particulars	Central & State Government	Financial Services	Agriculture	Manufacturing	Retail loans	Service Sector	Mining	Power	Construction	Others	Total
Financial Assets											
Cash and cash equivalents	-	779.47	-	-	-	-	-	-	-	-	779.47
Bank balances other than cash and cash equivalents	-	3.45	-	-	-	-	-	-	-	-	3.45
Derivative financial instruments	-	625.19	-	-	-	-	-	-	-	-	625.19
Securities held for trading	84.23	559.08	-	26.39	-	554.28	739.50	5.77	99.36	5.76	2,074.37
Trade receivables	-	216.24	-	-	-	-	-	-	-	-	216.24
Other receivables	-	23.35	-	-	-	-	-	-	-	-	23.35
Loans	-	2,189.93	-	-	11,914.51	-	-	-	-	-	14,104.44
Other financial assets	-	2,660.79	-	-	-	-	-	-	-	-	2,660.79
Total Assets	84.23	7,057.50	-	26.39	11,914.51	554.28	739.50	5.77	99.36	5.76	20,487.30

As at March 31, 2020

Particulars	Central & State Government	Financial Services	Agriculture	Manufacturing	Retail loans	Service Sector	Mining	Power	Construction	Others	Total
Financial Assets											
Cash and cash equivalents	-	1,587.54	-	-	-	-	-	-	-	-	1,587.54
Bank balances other than cash and cash equivalents	-	3.45	-	-	-	-	-	-	-	-	3.45
Derivative financial instruments	-	17.84	-	-	-	-	-	-	-	-	17.84
Securities held for trading	-	31.00	-	-	-	-	-	-	-	-	31.00
Trade receivables	-	11.90	-	-	-	-	-	-	-	-	11.90
Other receivables	-	13.73	-	-	-	-	-	-	-	-	13.73
Loans	-	3,262.64	-	-	3,130.26	-	-	-	-	-	6,392.90
Other financial assets	-	134.19	-	-	-	-	-	-	-	-	134.19
Total Assets	-	5,062.29	-	-	3,130.26	-	-	-	-	-	8,192.55



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

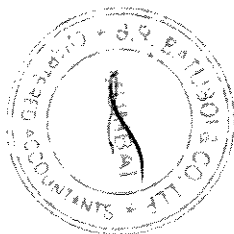
42.D.1 Credit Risk (continued)

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 pledge over marketable securities such as equity shares, mutual fund units, bonds, AIF units etc. 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, 2021	As at March 31, 2020	
Financial Assets			
Cash and cash equivalents	779.47	1,587.54	
Bank balances other than cash and cash equivalents	3.45	3.45	
Derivative financial instruments	625.19	17.84	
Securities held for trading	2,074.37	31.00	The Company invest in highly liquid Central/State Government securities, high rated Corporate Bonds, Equity Shares & marketable securities.
Trade receivables	216.24	11.90	These are receivables mainly from Clearing houses and receivable towards Fees income
Other receivables	23.35	13.73	Receivable from related party.
Loans			
Corporate credit	2,189.93	3,262.64	Receivable from related party.
Retail Credit	11,914.51	3,130.26	Equity shares, mutual fund units, Bonds, AIF units.
Other financial assets	2,660.79	134.19	
Total	20,487.30	8,192.55	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

42.D.2 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.

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.

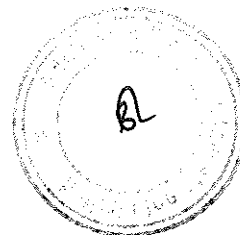
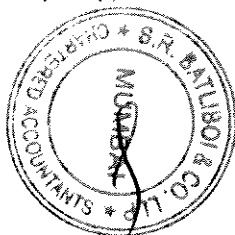
Liquidity Cushion:

	As at March 31, 2021	As at March 31, 2020
Liquidity cushion		
Cash and cash equivalents	779.47	1,587.54
Lending (Repo)	-	-
Government securities	84.23	-
Equity Shares	1,711.16	-
Debt securities	155.24	0.21
Other quoted investments	123.74	30.79
Total Liquidity cushion	2,853.84	1,618.54

Analysis of financial assets and liabilities by maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Gross settled non-trading derivatives are shown separately, by contractual maturity at the foot of the note.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

42.D.2 Liquidity risk (continued)

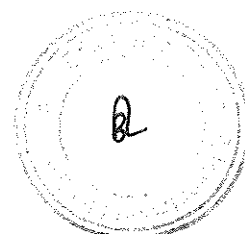
As at March 31, 2021 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	459.29	320.18	-	-	-	-	779.47
(b) Bank balances other than cash and cash equivalents	3.45	-	-	-	-	-	3.45
(c) Derivative financial instruments	-	624.82	-	0.26	0.11	-	625.19
(d) Securities held for trading	-	2,074.37	-	-	-	-	2,074.37
(e) Receivables							
(i) Trade receivables	-	163.15	20.20	32.89	-	-	216.24
(ii) Other receivables	-	23.35	-	-	-	-	23.35
(f) Loans	2,198.72	4,318.77	1,512.48	6,785.21	-	-	14,815.18
(g) Other financial assets	-	2,608.14	-	52.65	-	-	2,660.79
Total undiscounted financial assets	2,661.46	10,132.78	1,532.68	6,871.01	0.11	-	21,198.04
Financial Liabilities							
(a) Derivative financial instruments	-	49.30	-	-	55.12	-	104.42
(b) Trade payables	-	173.79	-	-	-	-	173.79
(c) Debt securities	-	663.48	1,864.36	2,272.46	3,342.50	3,036.03	11,178.84
(d) Borrowings (other than debt securities)	3,363.86	-	-	-	-	-	3,363.86
(e) Subordinated Liabilities	-	14.21	-	-	178.46	-	192.67
(f) Other financial liabilities	-	77.55	-	-	-	-	77.55
Total undiscounted financial liabilities	3,363.86	978.33	1,864.36	2,272.46	3,576.08	3,036.03	15,091.13
Total net financial assets / (liabilities)	(702.40)	9,154.45	(331.68)	4,598.55	(3,575.97)	(3,036.03)	6,106.91

In the above table, cash flows have been considered basis contractual maturities of respective assets and liabilities. As at March 31, 2021, the Company has given short term loans, with a maturity of less than 12 months. However, Debt securities and Subordinated liabilities outstanding as at March 31, 2021 have a maturity of more than 12 months. The Surplus funds so available on repayments of aforementioned loans granted, shall be used to create further loan book.

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 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	1,587.54	-	-	-	-	-	1,587.54
(b) Bank balances other than cash and cash equivalents	3.45	-	-	-	-	-	3.45
(c) Derivative financial instruments	-	-	-	-	17.84	-	17.84
(d) Securities held for trading	-	31.00	-	-	-	-	31.00
(e) Receivables							
(i) Trade receivables	-	11.90	-	-	-	-	11.90
(ii) Other receivables	-	13.73	-	-	-	-	13.73
(f) Loans	3,275.74	127.02	87.17	3,195.26	-	-	6,685.19
(g) Other financial assets	-	12.16	1.03	121.00	-	-	134.19
Total undiscounted financial assets	4,866.73	195.81	88.20	3,316.26	17.84	-	8,484.84
Financial Liabilities							
(a) Derivative financial instruments	-	-	-	-	-	5.70	5.70
(b) Trade payables	-	62.01	-	-	-	-	62.01
(c) Debt securities	-	22.22	17.47	524.26	1,832.49	2,119.60	4,516.04
(d) Borrowings (other than debt securities)	29.28	-	-	-	-	-	29.28
(e) Subordinated Liabilities	-	194.86	-	-	28.43	164.24	387.53
(f) Other financial liabilities	-	21.22	-	-	-	-	21.22
Total undiscounted financial liabilities	29.28	300.31	17.47	524.26	1,860.92	2,289.54	5,021.78
Total net financial assets / (liabilities)	4,837.45	(104.50)	70.73	2,792.00	(1,843.08)	(2,289.54)	3,463.06



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

42.D.2 Liquidity risk (continued)

Financial assets available to support future funding

Following table sets out the availability of Company's financial assets to support funding

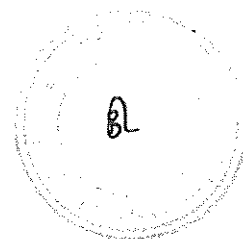
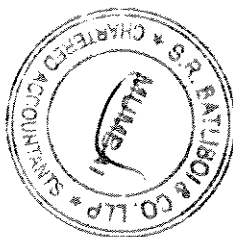
As at March 31, 2021	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets ¹	Available as collateral	others ²	
a) Cash and cash equivalent including bank balance	19.90	30.00	729.57	-	779.47
b) Bank balances other than cash and cash equivalents	-	-	-	3.45	3.45
c) Derivative financial instruments	-	-	-	625.19	625.19
d) Securities held for trading	-	-	2,074.37	-	2,074.37
e) Trade receivables	-	-	-	216.24	216.24
f) Other receivables	-	-	-	23.35	23.35
g) Loans	-	10,213.67	3,890.77	-	14,104.44
h) Other financial assets	-	-	2,602.92	57.87	2,660.79
i) Property, Plant and Equipment	-	2.37	-	3.25	5.62
j) Other non- financial assets	-	-	-	23.32	23.32
Total assets	19.90	10,246.04	9,297.63	952.67	20,516.24

As at March 31, 2020	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets ¹	Available as collateral	others ²	
a) Cash and cash equivalent including bank balance	-	-	1,587.54	-	1,587.54
b) Bank balances other than cash and cash equivalents	-	-	-	3.45	3.45
c) Derivative financial instruments	-	-	-	17.84	17.84
d) Securities held for trading	-	-	31.00	-	31.00
e) Trade receivables	-	-	-	11.90	11.90
f) Other receivables	-	-	-	13.73	13.73
g) Loans	-	3,281.73	3,111.17	-	6,392.90
h) Other financial assets	-	-	11.62	122.57	134.19
i) Property, Plant and Equipment	-	2.50	-	3.59	6.09
j) Other non- financial assets	-	-	-	67.14	67.14
Total assets	-	3,284.23	4,741.33	240.22	8,265.78

Notes :

1 Represents assets which are not pledged and the Company believes it is restricted from using to secure funding for legal or other reason

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

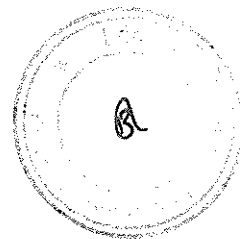
42. Risk Management (continued)

42.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses

Total market risk exposure

Particulars	As at March 31, 2021			As at March 31, 2020			Primary risk sensitivity
	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	
Financial Assets							
Cash and cash equivalents	779.47	-	779.47	1,587.54	-	1,587.54	Interest rate risk
Bank balances other than cash and cash equivalents	3.45	-	3.45	3.45	-	3.45	
Derivative financial instruments	625.19	625.19	-	17.84	17.84	-	Price risk , Interest rate risk
Securities held for trading	2,074.37	2,074.37	-	31.00	31.00	-	Price risk , Interest rate risk
Trade receivables	216.24	-	216.24	11.90	-	11.90	
Other receivables	23.35	-	23.35	13.73	-	13.73	
Loans	14,104.44	-	14,104.44	6,392.90	-	6,392.90	Interest rate risk
Other financial assets	2,660.79	-	2,660.79	134.19	-	134.19	
Total Assets	20,487.30	2,699.56	17,787.74	8,192.55	48.84	8,143.71	
Financial Liabilities							
Derivative financial instruments	104.42	104.42	-	5.70	5.70	-	Price risk , Interest rate risk
Trade payables	173.79	-	173.79	62.01	-	62.01	
Debt securities	10,213.67	-	10,213.67	3,281.73	-	3,281.73	Interest rate risk
Borrowings (other than debt securities)	3,363.86	-	3,363.86	29.28	-	29.28	Interest rate risk
Subordinated Liabilities	160.00	-	160.00	340.55	-	340.55	Interest rate risk
Other financial liabilities	77.55	-	77.55	21.22	-	21.22	
Total Liabilities	14,093.29	104.42	13,988.87	3,740.49	5.70	3,734.79	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (Continued)

42.E.1 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 March 31, 2021 and at March 31, 2020.

42.E.2 Interest rate sensitivity

The Company does not have floating rate borrowing and CBLO borrowings. Accordingly the Company's profitability will not be affected due to interest rate changes except for the interest rate future agreements entered in by the Company.

As at March 31, 2021

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Borrowings from related parties	25	(8.41)	-	25	8.41	-
Floating rate loans	25	5.50	-	25	(5.50)	-
Government Securities	25	(0.21)	-	25	0.21	-
Corporate debt securities	25	(0.39)	-	25	0.39	-
Other traded securities	25	(0.31)	-	25	0.31	-

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
Borrowings from related parties	25	(0.07)	-	25	0.07	-
Floating rate loans	25	8.19	-	25	(8.19)	-
Corporate debt securities	25	(0.00)	-	25	0.00	-
Other traded securities	25	(0.08)	-	25	0.08	-

42.E.3 Price Risk

The Company does not have investment in quoted equity shares or mutual fund units of equity oriented funds. Accordingly there is effect on the Company's profitability or equity.

As at March 31, 2021

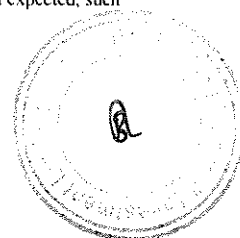
	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments						
Embedded derivative	25	(0.14)	-	25	0.14	-
Exchange traded derivatives	25	1.38	-	25	(1.38)	-
Equity Instrument	25	4.28	-	25	(4.28)	-
Mutual funds& Exchange Traded fund	25	0.31	-	25	(0.31)	-

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
Derivative instruments						
Embedded derivative	25	0.03	-	25	(0.03)	-

42.E.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its counterparties request repayment earlier or later than expected, such as fixed rate borrowings in the falling interest rate scenario.



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

43. 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.

43.01 Investments

	As at March 31, 2021	As at March 31, 2020
1) Value of Investments (including securities held for trading)		
i) Gross Value of Investments		
a) In India	2,074.37	31.00
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	2,074.37	31.00
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	-	-

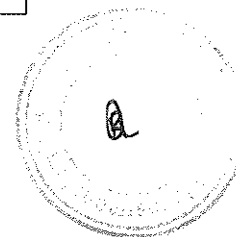
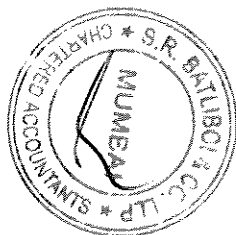
43.02 Derivatives**A) Forward Rate Agreement / Interest Rate Swap**

	As at March 31, 2021	As at March 31, 2020
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfill	-	-
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps@	0%	0%
v) The fair value of the swap book	-	-

@ % of concentration of credit risk arising from swaps with banks.

B) Exchange Traded Interest Rate (IR) Derivatives

	As at March 31, 2021	As at March 31, 2020
i) Notional principal amount of exchange traded IR derivatives	-	-
ii) Notional principal amount of exchange traded IR derivatives	-	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

C) Qualitative disclosure for Derivatives

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

D) Quantitative Disclosures

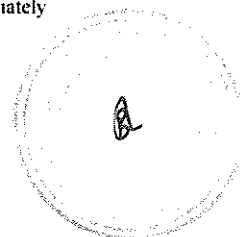
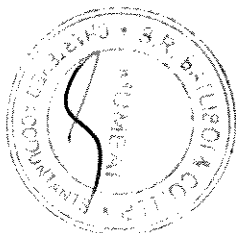
S.no.	Particulars	As at March 31, 2021		As at March 31, 2020	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional For hedging)	-	-	-	-
ii)	Marked to Market Positions				
	a) Assets (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
iii)	Credit Exposure	-	-	-	-
iv)	Unhedged Exposures	-	-	-	-

43.03 Capital to Risk Assets Ratio (CRAR)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
i. CRAR (%)	28.05%	56.06%
ii. CRAR - Tier I Capital (%)	26.84%	47.18%
iii. CRAR -Tier II Capital (%)	1.21%	8.88%
iv. Amount of subordinated debt raised as Tier-II capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

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

During the year ended March 31, 2021 the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI and for the year ended March 31, 2020 except in one case, where credit exposure to one borrower which exceeded the single borrower limit by Rs 47.41 Million. The same was regularised immediately



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

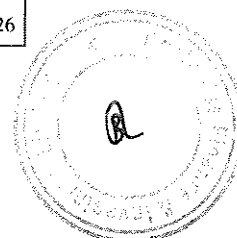
(Currency : Indian rupees in million)

43.05 Exposure to real estate sector, both direct and indirect;

	As at March 31, 2021	As at March 31, 2020
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 Rs.15 lakh 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 would also include non-fund based (NFB) limits;	-	-
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)*	-	-
Total Exposure	-	-

43.06 Exposure to Capital Market

	As at March 31, 2021	As at March 31, 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented invested in corporate debt;	1,990.14	31.00
(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;	11,962.66	3,142.83
(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;	-	-
(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;	2,158.20	2,703.43
(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)	-	-
(ix) Others - Not covered above	-	-
Total exposure	16,111.00	5,877.26



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

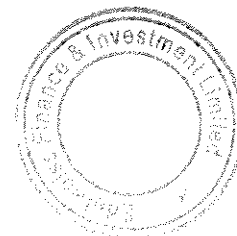
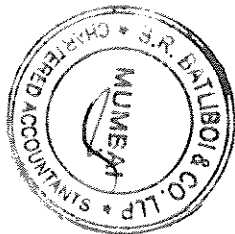
(Currency : Indian rupees in million)

43. Regulatory disclosures - RBI (continued)**43.07 Asset Liability Management****Maturity pattern of certain assets and liabilities as at March 31, 2021**

Particulars	Liabilities			Assets	
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days (one month)	-	3,453.45	4,544.67	2,074.37	-
Over one month to 2 months	-	51.36	543.10	-	-
Over 2 months to 3 months	-	525.23	1,148.53	-	-
Over 3 months to 6 months	-	1,827.78	1,329.55	-	-
Over 6 months to 1 year	-	2,160.93	6,538.57	-	-
Over 1 year to 3 years	-	3,168.30	-	-	-
Over 3 years to 5 years	-	812.59	-	-	-
Over 5 years	-	1,737.89	-	-	-
Total	-	13,737.53	14,104.44	2,074.37	-

Maturity pattern of certain assets and liabilities as at March 31, 2020

Particulars	Liabilities			Assets	
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days	-	234.68	3,302.33	31.00	-
Over one month to 2 months	-	-	-	-	-
Over 2 months to 3 months	-	-	-	-	-
Over 3 months to 6 months	-	-	-	-	-
Over 6 months to 1 year	-	386.97	3,090.57	-	-
Over 1 year to 3 years	-	1,449.16	-	-	-
Over 3 years to 5 years	-	1,046.84	-	-	-
Over 5 years	-	533.91	-	-	-
Total	-	3,651.56	6,392.90	31.00	-



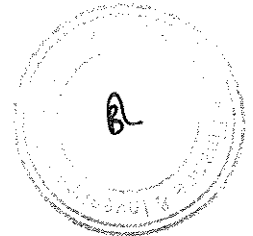
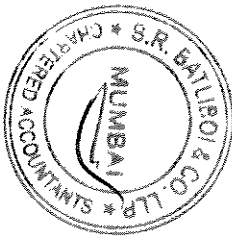
Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

43. Regulatory disclosures - RBI (continued)**43.08 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 provisions:

Particulars	As at March 31, 2021	As at March 31, 2020
i) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	13.93	-
c) Reductions during the year	13.93	-
d) Closing balance	-	-
ii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	12.53	-
c) Reductions during the year	12.53	-
d) Closing balance	-	-
iii) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	1.39	-
c) Reductions during the year	1.39	-
d) Closing balance	-	-



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

43. Regulatory disclosures - RBI (continued)**43.09 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provisions for depreciation on investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards income tax (net of deferred tax)	42.05	79.37
(iv) Provision for stage 1 / stage 2 assets	71.64	25.67
(v) Other Provision and Contingencies (Provision for doubtful debts)	-	-

43.10 Concentration of Deposits, Advances, Exposures and NPAs

	As at March 31, 2021	As at March 31, 2020
A) Concentration of Advances		
Total advances to twenty largest borrowers	7,916.50	4,901.90
Percentage of advances to twenty largest borrowers to total advances	55.90%	76.37%
B) Concentration of Exposures		
Total exposures to twenty largest borrowers / customers	7,916.50	4,901.90
Percentage of exposures to twenty largest borrowers / customers to	55.90%	76.37%
C) Concentration of NPAs		
Total exposures to top four NPAs	-	-
D) Sector-wise NPAs		
Sectors	Percentage of NPAs to Total Advances in that sector	
	March 31, 2021	March 31, 2020
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

43.11 Customer Complaints

	As at March 31, 2021	As at March 31, 2020
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	5.00	-
(c) No. of complaints redressed during the year	5.00	-
(d) No. of complaints pending at the end of the year	-	-

43.12 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)-Nil**43.13 The Company has not restructured any loans and advances during the year ended March 31, 2021 and March 31, 2020.**

Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

43. Regulatory disclosures - RBI (continued)

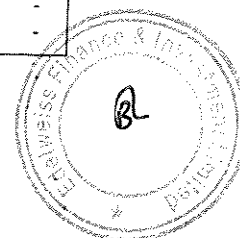
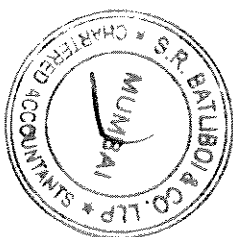
43.14 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

Liabilities side :

	As at March 31, 2021		As at March 31, 2020	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures (other than falling within the meaning of public deposits*)				
i) Secured	10,213.67	-	3,281.73	-
ii) Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowing	3,363.86	-	29.28	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans:				
Borrowings (Repo)	-	-	-	-
Preference Share Capital	160.00	-	340.55	-
(* Please see Note 1 below)				

Assets side :

	Amount Outstanding	
	As at March 31, 2021	As at March 31, 2020
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		
(b) Unsecured	11,285.43	2,881.58
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities	2,875.95	3,536.99
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL / HP activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Current Investments:(including securities held for trading)		
1. Quoted :		
(i) Shares : (a) Equity	1,700.72	-
(b) Preference	-	-
(ii) Debentures and Bonds	155.24	0.21
(iii) Units of Mutual Funds	106.35	30.79
(iv) Government Securities	84.23	-
(v) Others	17.39	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

43.14 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. (Continued)

(4) Break-up of Investments (Continued)	Amount Outstanding	
	As at March 31, 2021	As at March 31, 2020
2. <u>Unquoted</u> :		
(i) Shares : (a) Equity	10.44	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (Debt instruments)	-	-
Long Term investments :		
1. <u>Quoted</u> :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. <u>Unquoted</u> :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
(a) Warrants	-	-
(b) Units of Fund	-	-
(c) Investment in Security Receipts	-	-
(d) Share Application Money	-	-

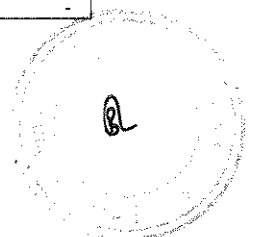
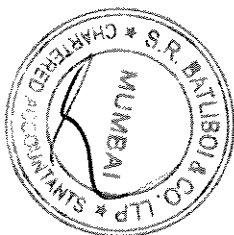
(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

As at March 31, 2021

Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Other related parties	-	2,189.93	2,189.93
2. Other than related parties	11,240.01	674.50	11,914.51

As at 31 March 2020

Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	3,262.64	3,262.64
2. Other than related parties	2,870.05	260.20	3,130.26
Total	-	-	-



Edelweiss Finance & Investments Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

43.14 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. (Continued)

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

Category	Market value / Break-up or fair value or NAV		Book value (net of provisions)	
	31 March 2021	March 31, 2020	March 31, 2021	March 31, 2020
1. Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	47.59	0.21	47.59	0.21
(c) Other related parties	-	-	-	-
2. Other than related parties	2,026.78	30.79	2,026.78	30.79
Total	2,074.37	31.00	2,074.37	31.00

** As per Ind AS-24 Related Party Disclosures

(7) Other information

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Gross Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(iii) Assets acquired in satisfaction of debts	-	-

Notes:

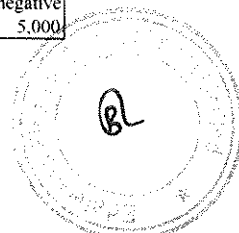
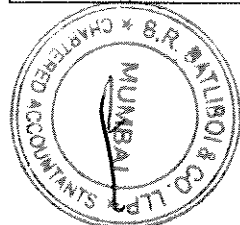
- As defined in paragraph 2(i)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value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

43.15 Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2021

Instrument category	CRISIL	Aacute	CARE	Brickworks
(i) Long Term Instruments				
Rating	AA-/Negative	AA/ Negative	A+/ Stable	AA-/ Stable
Amount	16,150	4,000	14,500	7,500
(ii) Short Term Instruments				
Rating	A1+	A1+	A1+	-
Amount	40,000	2,000.00	37,000	-
(iii) Market linked debentures				
a. Short Term				
Rating	PP- MLD A1+r	-	PP-MLD A1+	-
Amount	3,715	-	2,500.00	-
b. Long Term				
Rating	PP-MLD AA-r/Negative	-	PP-MLD A+/stable	PP-MLD AA-/Stable
Amount	5,000	-	5,000	5,000

Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2020

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	AA-/stable	AA-/negative	AA-/stable	AA-/negative
Amount	16,150	16,350	12,000.00	5,000
(ii) Short Term Instruments				
Rating	A1+	-	A1+	-
Amount	40,000	-	35,000	-
(iii) Market linked debentures				
a. Short Term				
Rating	PP- MLD A1+r	PP-MLD A1+	-	-
Amount	715	4,000	-	-
b. Long Term				
Rating	PP-MLD AA-r/stable	PP-MLD AA-/Negative	PP-MLD AA-/stable	PP-MLD AA-/negative
Amount	5,000	7,000	5,000	5,000



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

43. Regulatory disclosures - RBI (continued)**43.16 Details of transaction with non executive directors**

Sr.	Name of the Non executive director	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
1	P.N. Venkatachalam	Sitting Fees	0.32	0.26
2	Kunnasagaran Chinniah	Sitting Fees	0.26	0.04

43.17 The Company has no disclosure in respect of securitisation as there are no financial assets sold to securitisation / reconstruction company during year ended March 31,2021 and March 31, 2020

43.18 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral - Nil (Previous year Nil)

43.19 Impact of prior period items on current year's profit and loss: Nil (Previous year Nil)

43.20 Circumstances in which Revenue Recognition has been postponed: Nil (Previous year Nil)

43.21 Draw Down from Reserves: Nil (Previous year Nil)

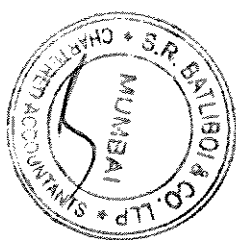
43.22 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil (Previous year Nil)

43.23 Details of financing of parent company products - None (Previous year - none)

43.24 Off-Balance SPV sponsored - None (Previous year - none)

43.25 Registration obtained from other financial sector regulators - Nil (Previous year Nil)

43.26 Disclosure of Penalties imposed by RBI and other regulators - Nil (Previous year Nil)



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

43.27 Prudential Floor for ECL

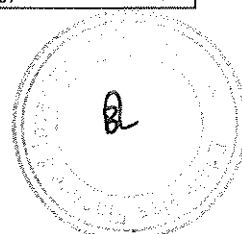
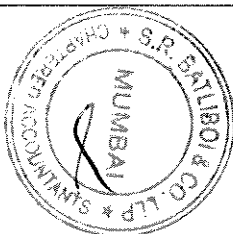
As required in terms of paragraph 2 of circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - Non-Banking Financial Company - Implementation of Indian Accounting Standards

As at March 31, 2021

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
A	B	C	D	E = C - D	F	G = D - F
Performing assets						
Standard	Stage 1	13,571.20	54.58	13,516.62	54.58	-
	Stage 2	590.18	2.36	587.82	2.36	-
Subtotal (i)		14,161.38	56.94	14,104.44	56.94	-
Non performing asstes (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal (ii)		-	-	-	-	-
Total	Stage 1	13,571.20	54.58	13,516.62	54.58	-
	Stage 2	590.18	2.36	587.82	2.36	-
	Stage 3	-	-	-	-	-
Total	Total	14,161.38	56.94	14,104.44	56.94	-

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
A	B	C	D	E = C - D	F	G = D - F
Performing assets						
Standard	Stage 1	6,271.19	25.08	6,246.11	25.08	-
	Stage 2	147.38	0.59	146.79	0.59	-
Subtotal (i)		6,418.57	25.67	6,392.90	25.67	-
Non performing asstes (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal (ii)		-	-	-	-	-
Total	Stage 1	6,271.19	25.08	6,246.11	25.08	-
	Stage 2	147.38	0.59	146.79	0.59	-
	Stage 3	-	-	-	-	-
Total	Total	6,418.57	25.67	6,392.90	25.67	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

43.28 Disclosure on liquidity risk

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2021	As at March 31, 2020
Number of significant counterparties*	4	11
Amount of borrowings from significant counterparties	5,157.82	899.80
% of Total deposits	NA	NA
% of Total liabilities	36.39%	23.70%

* "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 total liabilities.

ii) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

iii) Top 10 borrowings

	As at March 31, 2021	As at March 31, 2020
Amount of Borrowings from top 10 lenders*	5,807.82	899.80
% of Total Borrowings **	42.28%	24.64%

* Represents principal amount

** Total borrowings represents debt securities + borrowings (other than debt securities) + subordinated liabilities

iii) Funding Concentration based on significant instrument/product

Name of the product	As at March 31, 2021		As at March 31, 2020	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Debentures				
Market linked debentures	8,003.62	56.47%	1,145.26	30.16%
Public issue	2,210.05	15.59%	2,136.47	56.27%
Borrowings other than Debt Securities				
Loan from related parties	3,363.86	23.73%	29.28	0.77%
Subordinated Liabilities				
Preference Shares - privately placed	160.00	1.13%	340.55	8.97%
Total	13,737.53	96.92%	3,651.56	96.17%

iv) Stock ratios:

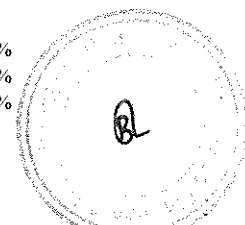
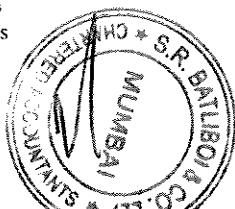
	As at March 31, 2021	As at March 31, 2020
Commercial papers		
as a % of total public funds	NA	NA
as a % of total liabilities	NA	NA
as a % of total assets	NA	NA

Non-convertible debentures (original maturity of less than one year)

as a % of total public funds	6.47%	NA
as a % of total liabilities	6.27%	NA
as a % of total assets	4.29%	NA

Other short-term liabilities

as a % of total public funds	60.87%	19.20%
as a % of total liabilities	58.99%	18.46%
as a % of total assets	40.42%	8.33%



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in million)

43.28 Disclosure on liquidity risk

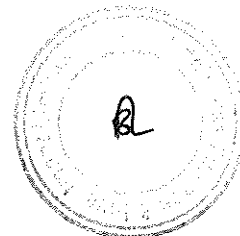
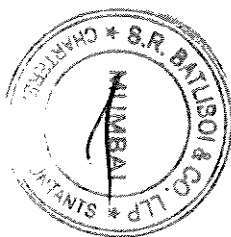
iv) Institutional set-up for liquidity risk management

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 -

- (a) Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any
- (b) 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;
- (c) 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
- (d) 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.



Edelweiss Finance & Investments Limited**Notes to financial statements (continued)**

(Currency : Indian rupees in mil)

44. Other disclosures (continued)**44.01 Details of open interest for derivative instruments****44.01(a) Open interest in interest rate derivatives:**

As at March 31, 2021 : Nil

As at March 31, 2020 : Nil

44.01(b) Open interest rate futures as at March 31, 2021 with exchange : Nil

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	-	-
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

Open interest rate futures as at March 31, 2020 with exchange : Nil

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	-	-
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

44.02 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2021 (Previous year: Rs Nil).

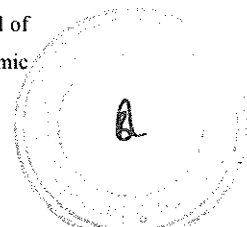
There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021

44.03 (Previous year Rs. Nil).

44.04 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.

45 The outbreak of COVID-19 virus and more importantly the current wave of infections and resultant lockdowns continue to cause significant disruptions. While the lockdown introduced by the government at the beginning of the year were lifted in a phased manner and was followed by a period of increased economic activity, with the onset of a very severe second wave of infections, state governments have reintroduced lockdowns and have imposed restrictions. The Company's performance continues to be dependent on future developments, which are uncertain, including, among other things, including the current wave that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact. 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. 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 and receivables, 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. Since the situation continue 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 statements. The Company will continue to closely monitor material changes in markets and future economic conditions.



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in million)

46. The quantitative disclosures as required by RBI circular dated April 17, 2020 for the year ended March 31, 2021 are given below:

Particulars	₹ in Crores
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	6.73
Respective amount where asset classification benefit is extended (as of February 29, 2020)	2.54
Provisions made in terms of para 5 of the circular as of March 31, 2021	0.03
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-
Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	0.03

47. In terms of the requirements of RBI circular number RBI/2021-22/17 dated April 07, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who have availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest/compound interest/penal interest'. Accordingly the Company has made provision of INR 0.8 million as at March 31, 2021 for refund/adjustment of penal interest.

48. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

49. Previous year figures has been restated/regrouped wherever necessary.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

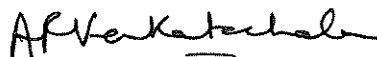
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

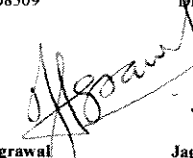
Non-Executive Director

DIN: 00008509

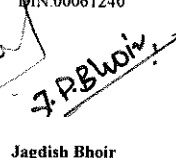

Pankaj Razdan

Non-Executive Director

DIN:00061240


Tushar Agrawal

Chief Executive Officer


Jagdish Bhoir

Chief Financial Officer


Pooja Doshi

Company Secretary

Mumbai

May 26, 2021

Mumbai

May 26, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Finance & Investments Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Edelweiss Finance & Investments 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 48 to the Ind AS financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to 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 Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the 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.

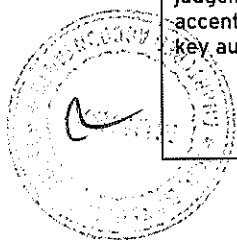
We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the 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 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 as at balance sheet date (as described in note 2.8, 8 & 8.A of Ind AS financial statements)	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) 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 loans and advances. In the process, a significant degree of judgement has been applied by the management for: • Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan product with no/minimal historical defaults. Additional considerations on account of COVID-19 Pursuant to the Reserve Bank of India circular dated March 27, 2020 ("RBI circular") allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and May 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy as described in Note 4B. 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 a SICR for such borrowers. 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. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.	Our audit procedures focused on the impairment of financial assets as at balance sheet date: • Read and assessed the Company's accounting policies for impairment of financial assets and their 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. • 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. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR/default in view of Company's policy on moratorium. • Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). • Audited disclosures included in the Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

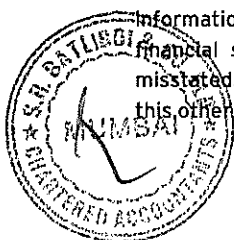
Key audit matters	How our audit addressed the key audit matter
(b) IT systems and controls Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	 Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting of the Company: • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. • We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. • tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

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 Board report but does not include the Ind AS financial statements and our auditor's report thereon.

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

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



Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

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

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

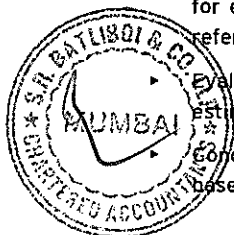
Those Board of Directors/Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with 5As, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 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 mail confirmation received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (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 Ind AS financial statements - Refer Note 35 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 44.04 to the 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
CAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAGZ6553

Place of Signature: Mumbai
Date: July 03, 2020



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (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 in accordance with 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 verification of securities held for trading have been conducted on the basis of statement of holding received from the Depository Participants and Clearing Corporation holding statement at reasonable intervals by the management during the year.
- (iii) 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 given in respect of which provisions of section 185 and 186 of the Companies Act 2013 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 clause 148(1) of the Companies Act, 2013, 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. The provisions relating to employees' state insurance, service tax, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.
- (b) According to the information and explanations given to us and based upon the audit procedures performed, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, service tax, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.
- (c) According to the information and explanations given to us and based upon the audit procedures performed, the dues of income-tax, service tax and cess on account of any dispute, are given below. The provisions relating to employees' state insurance, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

Name of the Statute	Nature of dues	Amount (Rs in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	26.82	AY 2008-2009	High Court
Income Tax Act, 1961	Income Tax	37.75	AY 2009-2010	High Court



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Name of the Statute	Nature of dues	Amount (Rs in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.14	AY 2009-2010	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	11.87	AY 2010-2011	High Court
Income Tax Act, 1961	Income Tax	29.88	AY 2011-2012	High Court
Income Tax Act, 1961	Income Tax	90.58	AY 2013-2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	74.08	AY 2016-2017	Commissioner of Income Tax (Appeals)

(viii) In our opinion and according to the information and explanations given by the management and based upon the audit procedures performed, the Company has not defaulted in repayment of loans or borrowing to a financial institution, banks or dues to debenture holders. The Company does not have any dues to government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of further public offer and term loans.

Further, monies raised by the company by way of public offer of debt instruments were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been invested in liquid investments 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 no fraud 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 and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet and based upon the audit procedures performed, the Company has not made any preferential allotment or private placement of shares during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

According to the information and explanations given by the management and audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



S.R. BATLIBOI & CO. LLP

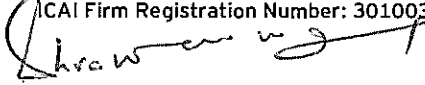
Chartered Accountants

(xvi) According to the information and explanations given to us and audit procedures performed, 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: 20102102AAAAGZ6553

Place of Signature: Mumbai

Date: July 03, 2020



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EDELWEISS FINANCE & INVESTMENTS LIMITED

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

To the Members of Edelweiss Finance & Investments Limited

We have audited the internal financial controls over financial reporting of Edelweiss Finance & Investments Limited ("the Company") as of March 31, 2020 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

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these 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.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 financial statements and such internal financial controls over financial reporting with reference to these financial statements 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

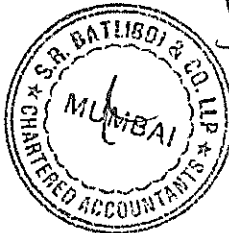
Partner

Membership Number: 102102

UDIN: 20102102AAAAGZ6553

Place of Signature: Mumbai

Date: July 03, 2020



Edelweiss Finance & Investments Limited

Balance Sheet as at March 31, 2020

(Currency : Indian rupees in million)

	Note	As at March 31, 2020	As at March 31, 2019*	As at April 01, 2018*
Assets				
Financial assets				
(a) Cash and cash equivalents	3	1,587.54	1,050.24	152.96
(b) Bank balances other than cash and cash equivalents	4	3.45	53.33	50.02
(c) Derivative financial instruments	5	17.84	1.01	26.44
(d) Securities held for trading	6	31.00	13,804.53	14,824.88
(e) Receivables				
(i) Trade receivables	7	11.90	6,283.79	4,563.14
(ii) Other receivables		13.73	0.84	95.30
(f) Loans	8	6,392.90	-	-
(g) Other financial assets	9	133.90	444.72	164.81
		<u>8,192.26</u>	<u>21,638.46</u>	<u>19,877.55</u>
Non-financial assets				
(a) Current tax assets (net)	10	136.65	145.62	306.19
(b) Deferred tax assets (net)	11	7.82	74.03	81.53
(c) Property, Plant and Equipment	12	6.09	6.56	9.78
(d) Other Intangible assets	12	5.55	9.27	4.71
(e) Other non- financial assets	13	67.43	40.03	16.31
		<u>223.54</u>	<u>275.51</u>	<u>418.52</u>
Total Assets		<u>8,415.80</u>	<u>21,913.97</u>	<u>20,296.07</u>
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	5	5.70	260.35	20.72
(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	14	62.01	49.40	54.64
(c) Debt securities	15	3,281.73	-	-
(d) Borrowings (other than debt securities)	16	29.28	19,215.17	17,569.70
(e) Subordinated Liabilities	17	340.55	516.59	516.59
(f) Other financial liabilities	18	21.22	32.56	48.80
		<u>3,740.49</u>	<u>20,074.07</u>	<u>18,210.45</u>
Non-financial liabilities				
(a) Current tax liabilities (net)	19	34.43	80.24	194.00
(b) Provisions	20	9.55	10.46	115.63
(c) Other non-financial liabilities	21	12.63	16.34	18.55
		<u>56.61</u>	<u>107.04</u>	<u>328.18</u>
Equity				
(a) Equity share capital	22	83.35	34.35	34.35
(b) Other equity	23	4,535.35	1,698.51	1,723.09
		<u>4,618.70</u>	<u>1,732.86</u>	<u>1,757.44</u>
Total Liabilities And Equity		<u>8,415.80</u>	<u>21,913.97</u>	<u>20,296.07</u>

The accompanying notes are an integral part of the financial statements

1 to 49

* Refer note 45

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

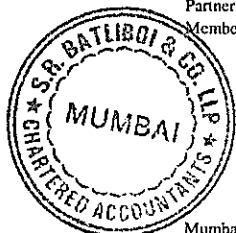
Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

Shrawan

per Shrawan Jalan
Partner

Membership No: 102102



Mumbai
July 03, 2020

For and on behalf of the Board of Directors

AR Venkatchale

Venkatchalan Ramaswamy
Non-Executive Director
DIN: 00008500

S Ranganathan

S Ranganathan
Executive Director
DIN: 00125493

Tushar Agrawal

Tushar Agrawal
Chief Executive Officer

Shivaramap Iyer

Shivaramap Iyer
Chief Financial Officer

Pooja Doshi

Pooja Doshi
Company Secretary

Mumbai
July 03, 2020

Edelweiss Finance & Investments 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*
Revenue from operations			
Interest income	24	1,190.14	1,410.66
Dividend income	25	-	1.44
Fee and commission income	26	15.28	-
Net gain on fair value changes (including Treasury income)	29	278.42	-
Other income	27	1.52	12.49
Total Revenue		1,485.36	1,424.59
Expenses			
Finance costs	28	984.38	1,204.46
Net loss on fair value changes (including Treasury income)	29	-	58.76
Impairment on financial instruments	30	25.67	-
Employee benefits expense	31	80.37	35.77
Depreciation and amortisation expense	12	5.40	6.04
Other expenses	32	125.88	73.88
Total expenses		1,221.70	1,378.91
Profit before tax		263.66	45.68
Tax expenses			
(1) Current tax	33	13.16	69.38
(2) Deferred tax (net)	33	66.21	(36.79)
Profit for the year		184.29	13.09
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
a) Remeasurement gain on defined benefit plans (OCI)		(4.34)	0.16
b) Income Tax - OCI - that will not be reclassified		1.09	(0.06)
Total		(3.25)	0.10
Total Comprehensive Income		181.04	13.19
Earnings per equity share (Face value of Rs. 10 each) (in Rs.):			
Basic	34	53.44	3.81
Diluted	34	53.44	3.81

The accompanying notes are an integral part of these financial statements

1 to 49

* Refer note 45

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

Shrawan

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai

July 03, 2020

For and on behalf of the Board of Directors

Al Venkatesh

Venkataram Ramaswamy

Non-Executive Director

DIN: 00008509

S Ranganathan

S Ranganathan

Executive Director

DIN: 00125493

Tushar Agrawal

Tushar Agrawal

Chief Executive Officer

Shivaraman Iyer

Shivaraman Iyer

Chief Financial Officer

Pooja Doshi

Pooja Doshi

Company Secretary

Mumbai

July 03, 2020

Edelweiss Finance & Investments Limited

(Currency : Indian rupees in million)

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

Particulars	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)	34.35	49.00	83.35	34.35	-	34.35

B. Other Equity

Particulars	Capital redemption reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Deemed Capital Contribution - Equity	Total Attributable to equity holders
Balance as at April 1, 2018*	9.71	711.81	921.04	90.26	(24.91)	15.18	1,723.09
Profit for the year	-	-	-	-	13.09	-	13.09
Other Comprehensive Income	-	-	-	-	0.10	-	0.10
	9.71	711.81	921.04	90.26	(11.72)	15.18	1,736.28
Income tax impact on ESOPS	-	-	-	-	(37.77)	-	(37.77)
Balance as at March 31, 2019	9.71	711.81	921.04	90.26	(49.49)	15.18	1,698.51
Profit for the year	-	-	-	-	184.29	-	184.29
Other Comprehensive Income	-	-	-	-	(3.25)	-	(3.25)
	9.71	711.81	921.04	90.26	131.55	15.18	1,879.55
Securities premium on shares issued during the year	-	2,655.80	-	-	-	-	2,655.80
Transfer to Special Reserve	-	-	40.19	-	(40.19)	-	0.00
Transfer to Capital redemption Reserve	106.88	-	-	(90.26)	(16.62)	-	(0.00)
Balance as at March 31, 2020	116.59	3,367.61	961.23	-	74.74	15.18	4,535.35

* Refer note 45

The accompanying notes are an integral part of these financial statements.

I to 49

As per our report of even date attached.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

For and on behalf of the Board of Directors

AP Venkatesh

Venkatchalam Ramaswamy
Non-Executive Director
DIN: 00008509

S Ranganathan

S Ranganathan
Executive Director
DIN: 00125493

Tushar Agrawal

Tushar Agrawal
Chief Executive Officer

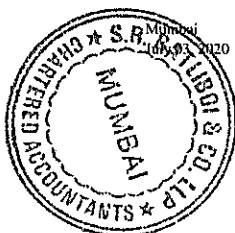
Shivaraman Iyer

Shivaraman Iyer
Chief Financial Officer

Pooja Doshi

Pooja Doshi
Company Secretary

Mumbai
July 03, 2020

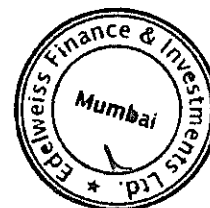
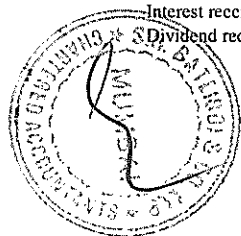


Edelweiss Finance & Investments Limited

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
A Cash flow from operating activities		
Profit before tax	263.66	45.68
<i>Adjustments for</i>		
Depreciation and amortisation expense	5.40	6.04
Fair value (gain) / loss of financial instruments	(0.98)	176.21
Provision for compensated absences	(0.91)	0.35
Write back of deferred bonus	-	(105.52)
Expense on employee stock option scheme	-	5.47
Impairment on financial assets	25.67	-
Profit on sale of of Property, Plant and Equipment	(0.01)	(0.21)
Operating cash flow before working capital changes	292.83	128.02
Add / (Less): Adjustments for working capital changes		
Increase in Loans	(6,418.57)	-
Decrease / (increase) Trade and other receivables	6,259.00	(1,626.19)
Decrease in Securities held for trading	13,774.51	844.14
Decrease / (increase) in Other financial assets	343.87	(266.79)
Increase in Other non- financial assets	(27.40)	(14.72)
Increase / (decrease) in Trade payables	12.61	(5.24)
Decrease in Non-financial liabilities and Provisions	(6.96)	(7.52)
(Decrease) / increase in Other financial liabilities	(265.99)	223.39
Cash generated from / (used in) operations	13,963.90	(724.91)
Income taxes paid	(50.00)	(16.11)
Net cash generated from / (used in) operating activities - A	13,913.90	(741.02)
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(1.26)	(8.00)
Sale of Property, Plant and Equipment	0.06	0.83
Net cash used in investing activities - B	(1.20)	(7.17)
C Cash flow from financing activities		
Proceeds from issuance of Share capital (including Securities Premium)	2,704.80	-
Proceeds from issuance of Debt Securities	3,281.73	-
(Decrease) / increase in Borrowings other than Debt Securities (refer note 2)	(19,185.89)	1,645.47
Repayment of Subordinated Liabilities	(176.04)	-
Net cash (used in) / generated from financing activities - C	(13,375.40)	1,645.47
Net increase in cash and cash equivalents (A+B+C)	537.30	897.28
Cash and cash equivalent as at the beginning of the year	1,050.24	152.96
Cash and cash equivalent as at the end of the year	1,587.54	1,050.24
Operational cash flows from interest and dividends		
Interest paid	963.56	1,225.32
Interest received	1,400.00	1,439.67
Dividend received	-	1.44



Edelweiss Finance & Investments Limited

Statement of cash flows for the year ended March 31, 2020 (continued)

(Currency : Indian rupees in million)

Notes:

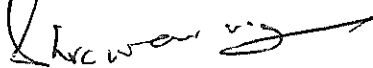
- 1 Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 (Statement of Cash Flows) prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
- 2 Cash receipts and payments for transaction with group companies in which 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.
- 3 Refer note 37 for change in liabilities arising from financing activities

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan

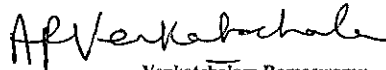
Partner

Membership No: 102102



Mumbai
July 03, 2020

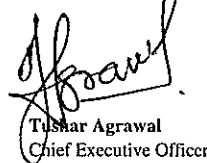
For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

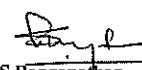
Non-Executive Director

DIN: 00008509



Tushar Agrawal
Chief Executive Officer

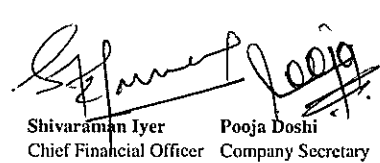
Mumbai
July 03, 2020



S Ranganathan

Executive Director

DIN: 00125493



Shivaraman Iyer Pooja Doshi
Chief Financial Officer Company Secretary

Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

1. Corporate information:

Edelweiss Finance & Investments Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Securities Limited. The Ultimate Holding Company of the Company is Edelweiss Financial Services Limited. The Company was incorporated on October 27, 1994 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 engaged in the business of advancing of loans against securities and trading and investing in government securities and fixed income securities.

2.1 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.

2.2 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 38.

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

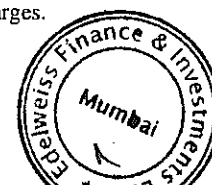
Derivative assets and liabilities with master netting arrangements [e.g. ISDAs (International Swaps and Derivatives Association)] are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

2.3 Recognition of interest income and dividend income

2.3.1 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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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.

2.3.2 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

2.3.3 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.

2.4 Financial instruments:

2.4.1 Date of recognition:

Financial Assets and financial 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.

2.4.2 Initial measurement of financial instruments:

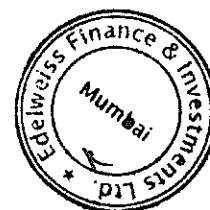
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are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

2.4.3 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 / loss 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.

2.4.4 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:



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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.

2.5 Financial assets and liabilities:

2.5.1 Amortized cost and effective interest method

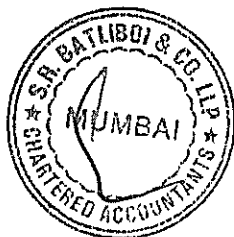
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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.

2.5.2 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 / loss on fair value changes.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

2.5.3 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.

2.5.4 Financial liabilities:

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

2.5.5 Derivative financial instruments:

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

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.

2.5.6 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.

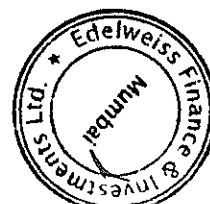
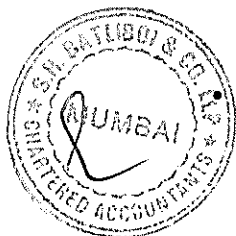
The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on 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.

2.5.7 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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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.

2.5.8 Loan commitment

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

2.5.9 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.

2.6 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. Financial liabilities are never reclassified.

2.7 Derecognition of financial Instruments:

2.7.1 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.

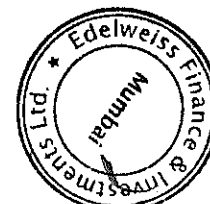
The Company has transferred the financial asset if, and only if, either

- 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.

A transfer only qualifies for derecognition if either:

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

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



Edelweiss Finance & Investments Limited
Notes to the financial statements (continued)

2.7.2 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 in statement of profit and loss.

2.8 Impairment of financial assets:

The Company records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.

Simplified approach

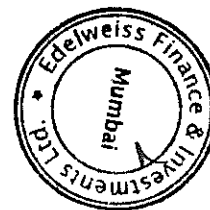
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss (ECL) 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 ECL 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 (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the 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.



Edelweiss Finance & Investments Limited
Notes to the financial statements (continued)

Company categorises 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%.

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

The Company's product offering includes a 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.

2.9 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, power of attorney, 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 monthly/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.

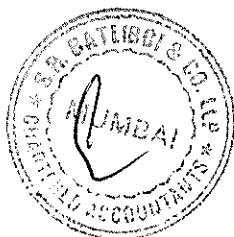
2.10 Write-offs:

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

2.11 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;

- 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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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.

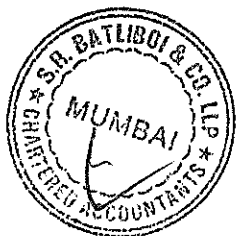
The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

2.12 Operating 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.



Edelweiss Finance & Investments Limited
Notes to the financial statements (continued)

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the 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 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.

2.13 Earnings per share:

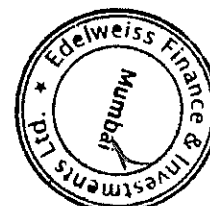
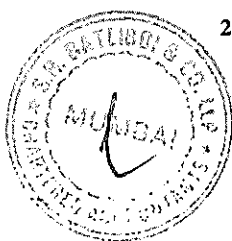
Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

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.

2.14 Retirement and other employee benefit:

2.14.1 Provident fund and national pension scheme:

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

2.14.2 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.

2.14.3 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.

2.14.4 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.

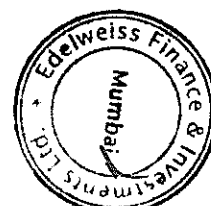
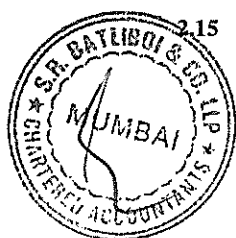
2.14.5 Share-based payment arrangements:

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. These include Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share-based transaction.

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.

Property, plant and equipment:

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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 Property, plant and equipment are as follows:

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Vehicles	8 years
Office Equipment	5 years
Furniture and fixtures	10 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.

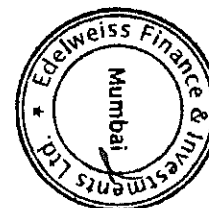
2.16 Intangible assets:

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

2.17 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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

2.18 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.

2.19 Income tax expenses:

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

2.19.1 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.

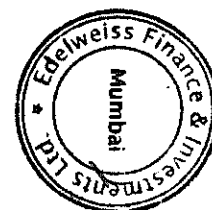
2.19.2 Deferred tax:

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

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

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

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



Edelweiss Finance & Investments Limited
Notes to the financial statements (continued)

Minimum Alternative Tax (MAT) credit

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

2.19.3 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.

2.20 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.

2.21 Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, 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.

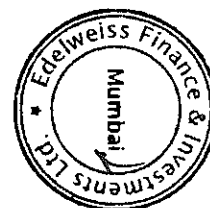
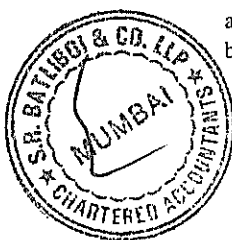
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current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

2.21.1 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 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.



Edelweiss Finance & Investments Limited
Notes to the financial statements (continued)

2.21.2 Significant increase in credit risk:

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. 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.

2.21.3 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.

2.21.4 Effective Interest Rate (EIR) Method:

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

2.22 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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

- 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.

2.23 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.

2.24 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.

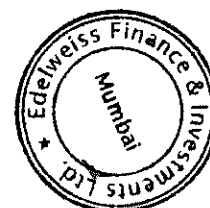
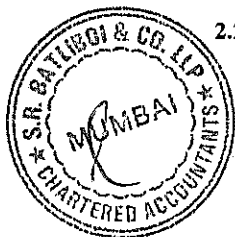
2.25 Provisions for Income Taxes:

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.

2.26 Standards issued but not yet effective:

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

3. Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Cash in hand	0.03	-	0.01
Balances with banks			
- in current accounts	1,587.51	1,050.24	152.95
	<u>1,587.54</u>	<u>1,050.24</u>	<u>152.96</u>

4. Bank balances other than cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Short term bank deposits with banks *	-	50.02	50.02
(other bank deposits with maturity less than 12 months)			
Earmarked balance with bank (unpaid dividends)	3.45	3.31	-
	<u>3.45</u>	<u>53.33</u>	<u>50.02</u>

4.A Encumbrances on fixed deposits held by the Company:

Fixed deposit pledged against overdraft facility
RBL Bank Limited

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
	-	50.00	50.00
	<u>-</u>	<u>50.00</u>	<u>50.00</u>

* Fixed deposit with bank earns interest at fixed rate.

5. Derivative financial instruments

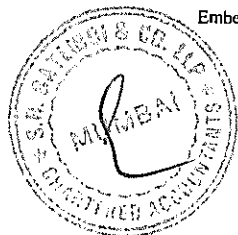
5.A Breakup of Derivative financial instruments

Fair Value Assets

Mark to market on interest rate swap	-	1.01	26.44
Embedded derivatives in market-linked debentures (liabilities)	17.84	-	-
	<u>17.84</u>	<u>1.01</u>	<u>26.44</u>

Fair Value Liabilities

Mark to Market on interest rate swap	-	260.35	20.72
Embedded derivatives in market-linked debentures (liabilities)	5.70	-	-
	<u>5.70</u>	<u>260.35</u>	<u>20.72</u>



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

5. 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.

Particulars	As at March 31, 2020							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i) Embedded derivatives*								
In market linked debentures				17.84				5.70
Total Derivative Financial Instruments			Total	17.84			Total	5.70

Particulars	As at March 31, 2019							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i)Interest rate derivatives								
Interest Rate Swaps	Rs. Million	INR	2,500	1.01	Rs. Million	INR	23,250	260.35
Interest Rate Future	G-Sec Units		3,800,000	0.18	G-Sec Units		14,500,000	9.69
Less: amounts offset				(0.18)				(9.69)
(Refer Note 5.B)								
Total Derivative Financial Instruments				1.01				260.35

As at April 01, 2018								
Particulars	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i)Interest rate derivatives								
Interest Rate Swaps	Rs. Million	INR	6,500	26.44	Rs. Million	INR	8,000	20.72
Interest Rate Future	G-Sec Units		5,444,000	3.29			-	-
Less: amounts offset				(3.29)				-
(Refer Note 5.B)								
Total Derivative Financial Instruments				26.44				20.72

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.

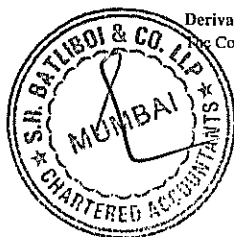
*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. refer Note 2.5.5 for further details.

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 42.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

5.B 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 and Liabilities subject to offsetting, netting arrangements

Financial assets and liabilities as at March 31, 2020 that are subject to offsetting, netting arrangements is Rs Nil.

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2019	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		
Trade receivables	9,096.11	(2,812.32)	6,283.79	-	-	6,283.79	6,283.79	6,283.79
Derivative Assets	1.19	(0.18)	1.01	(1.01)	-	-	1.01	-
Margin placed with broker*	303.47	-	303.47	-	(208.25)	95.22	303.47	95.22

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2019	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 liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential		
Trade payables	2,812.32	(2,812.32)	-	-	-	-	-	-
Derivative Liabilities	270.04	(9.69)	260.35	(1.01)	(208.25)	51.09	260.35	51.09

Financial Assets subject to offsetting, netting arrangements

As at April 01, 2018	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		
Trade receivables	9,615.36	(5,052.22)	4,563.14	-	-	4,563.14	4,563.14	4,563.14
Derivative Assets	29.73	(3.29)	26.44	(9.89)	(4.45)	12.10	26.44	12.10
Margin placed with broker*	41.51	-	41.51	-	(15.28)	26.23	41.51	26.23

Financial Liabilities subject to offsetting, netting arrangements

As at April 01, 2018	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 liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential		
Trade payables	5,052.22	(5,052.22)	-	-	-	-	-	-
Derivative Liabilities	20.72	-	20.72	-	(10.33)	9.89	20.72	9.89

*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.



Notes to financial statements (continued)

(Currency : Indian rupees in million)

6. Securities held for trading

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
At Fair Value Through Profit and Loss			
(i) Government Debt Securities	-	13,679.23	14,406.88
(ii) Debt securities	0.21	125.30	389.24
(iii) Exchange Traded Funds	30.79	-	-
(iv) Preference Shares	-	-	28.76
Total	31.00	13,804.53	14,824.88
(i) Investments outside India	-	-	-
(ii) Investments in India	31.00	13,804.53	14,824.88
Total	31.00	13,804.53	14,824.88



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
7. Receivables			
a) Trade receivables			
Receivables considered good - Unsecured (refer note 5.A)	11.90	6,283.79	4,563.14
Trade Receivables (a)	11.90	6,283.79	4,563.14
b) Other receivables			
Receivables considered good - Unsecured	13.73	0.84	95.30
Other receivables (b)	13.73	0.84	95.30
Total Receivables (a) + (b)	25.63	6,284.63	4,658.44

c) Reconciliation of impairment allowance on trade and lease receivables:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	-	-
Add/ (less): asset originated or acquired (net)	-	-
Impairment allowance - Closing Balance	-	-

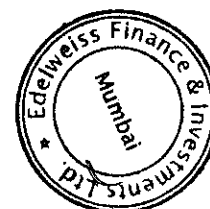
Notes:

- 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	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default	25.63	-	-	-	-	-	25.63
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	25.63	-	-	-	-	-	25.63
As at March 31, 2019	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default *	6,283.79	-	-	-	-	-	6,283.79
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	6,283.79	-	-	-	-	-	6,283.79
As at April 01, 2018	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default *	4,563.14	-	-	-	-	-	4,563.14
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	4,563.14	-	-	-	-	-	4,563.14

* Receivables largely includes receivables from clearing house and companies in same group. The Company has no history and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

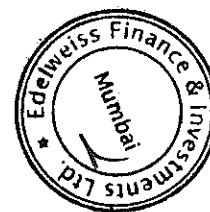


Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
8. Loans (at Amortised cost)			
Other loans			
Corporate credit	3,275.74	-	-
Retail Credit	3,142.83	-	-
Total gross	6,418.57	-	-
Less: Impairment loss allowance (Refer Note 8.A)	(25.67)	-	-
Total net	6,392.90	-	-
Secured by marketable securities & unlisted securities	2,881.58	-	-
Unsecured	3,536.99	-	-
Total gross	6,418.57	-	-
Less: Impairment loss allowance (Refer Note 8.A)	(25.67)	-	-
Total net	6,392.90	-	-
Loans in India			
Public sector	-	-	-
Others	6,418.57	-	-
Total Gross	6,418.57	-	-
Less: Impairment loss allowance (Refer Note 8.A)	(25.67)	-	-
Total net	6,392.90	-	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

8.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.

Loans at Amortised Cost

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	6,271.19	-	-	6,271.19	-	-	-	-
Standard grade	-	147.38	-	147.38	-	-	-	-
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	6,271.19	147.38	-	6,418.57	-	-	-	-

Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances:

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.

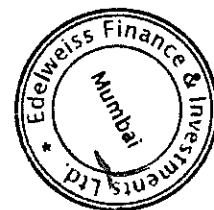
The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

Reconciliation / movement for the year ended March 31, 2020

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	-	-	-	-	-	-	-	-
New assets originated / repayments received (net)	6,271.19	25.08	147.38	0.59	-	-	6,418.57	25.67
Closing balance	6,271.19	25.08	147.38	0.59	-	-	6,418.57	25.67

Reconciliation / movement for the year ended March 31, 2019

There were no loans as at March 31, 2019 and as at April 01, 2018. Hence, disclosure for reconciliation / movement is not disclosed.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

9. Other financial assets

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Deposits placed with exchange/depositories	121.00	139.90	112.40
Deposits- others	1.03	1.07	0.82
Margin placed with broker (refer note 5.B)	11.62	303.47	41.51
Accrued interest on margin	0.25	0.28	0.69
Other assets	-	-	9.39
	133.90	444.72	164.81

10. Current tax assets (net)

Advance income taxes (net)	136.65	145.62	306.19
	136.65	145.62	306.19

11. Deferred tax assets (net)

Deferred tax assets

Loans

Expected credit loss	6.46	-	

Property, Plant and Equipment & Intangible assets

Difference between book and tax depreciation	1.48	2.07	2.38

Investment and other financial instruments

Unrealised loss on derivatives	-	89.78	6.31

Fair valuation of investments and securities held for trading - loss in valuation	-	-	2.26

Fair valuation of employee stock option

	-	-	37.77

MAT credit entitlement

	-	-	6.47

Employee benefit obligations

Disallowances under section 43B of the Income Tax Act, 1961	0.13	0.48	37.26

Others

	-	1.83	-

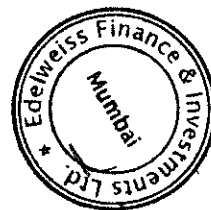
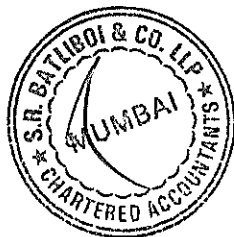
Deferred tax liabilities

	8.07	94.16	92.45

Investment and other financial instruments

Fair valuation - securities held for trading	0.25	19.73	
Unrealised gain on derivatives	-	0.40	10.92
	0.25	20.13	10.92

	7.82	74.03	81.53



12. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment						Other Intangible Assets	
	Building*	Vehicles	Office equipment	Computers	Furniture	Total	Computer Software	Total
Cost								
As at April 1, 2018	1.25	8.20	0.28	4.08	-	13.81	5.47	19.28
Additions	-	-	-	0.71	-	0.71	7.29	8.00
Disposals	-	(0.87)	-	(0.16)	-	(1.03)	-	(1.03)
as at March 31, 2019	1.25	7.33	0.28	4.63	-	13.49	12.76	26.25
Additions	1.48	-	-	0.28	0.07	1.83	(0.57)	1.26
Disposals	-	-	-	(0.57)	-	(0.57)	-	(0.57)
as at March 31, 2020	2.73	7.33	0.28	4.34	0.07	14.75	12.19	26.94
Depreciation and amortisation:								
As at April 1, 2018	0.06	2.65	0.09	1.23	-	4.03	0.76	4.79
Depreciation/Amortisation for the year	0.06	1.68	0.09	1.48	-	3.31	2.73	6.04
Disposals	-	(0.32)	-	(0.09)	-	(0.41)	-	(0.41)
as at March 31, 2019	0.12	4.01	0.18	2.62	-	6.93	3.49	10.42
Depreciation/Amortisation for the year	0.11	1.07	0.05	1.01	0.01	2.25	3.15	5.40
Disposals	-	-	-	(0.52)	-	(0.52)	-	(0.52)
as at March 31, 2020	0.23	5.08	0.23	3.11	0.01	8.65	6.64	15.29
Net Book Value								
As at April 01, 2018	1.19	5.55	0.19	2.85	0.00	9.78	4.71	14.49
As at March 31, 2019	1.13	3.32	0.10	2.01	0.00	6.56	9.27	15.83
As at March 31, 2020	2.50	2.25	0.05	1.23	0.06	6.09	5.55	11.64

Charge against secured redeemable non-convertible debentures (Refer note 15.B)

Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
13. Other non-financial assets			
(Unsecured considered good, unless stated otherwise)			
Input tax credit	40.77	22.42	11.67
Vendor Advances	12.38	3.70	1.32
Contribution to gratuity fund (net) (refer note 31)	1.36	1.50	1.47
Prepaid expenses	3.62	1.53	1.85
Advances to employees	0.29	1.88	-
Others	9.01	9.00	-
	67.43	40.03	16.31
14. 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 (Refer note 5.B)	62.01	49.40	54.64
	62.01	49.40	54.64
14.A Details of dues to micro and small enterprises			
Trade Payables includes Rs.Nil (March 31, 2019: Rs.Nil; April 01, 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.			
15. Debt securities			
<i>at amortised cost</i>			
(Refer Note 15.A and 15.B)			
Redeemable non-convertible debentures - secured			
Market linked debentures	1,145.26	-	-
Public issue	2,136.47	-	-
Total	3,281.73	-	-
Debt securities in India	3,281.73	-	-
Debt securities outside India	-	-	-
Total	3,281.73	-	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
16. Borrowings other than Debt Securities (at amortised cost)			
<u>Secured</u>			
Borrowings (Repo)			
(Secured by pledge of Government securities and Treasury-bills)	-	14,162.90	17,373.62
(March 31, 2019; Repayable on April 02, 2019 Interest payable in range of 5.50% to 7.30%)			
(April 01, 2018; Repayable on April 03, 2018 Interest payable in range of 4.40% to 7.10%)			
<u>Unsecured</u>			
Loan from related parties (refer note 39)	29.28	5,052.27	196.08
(Repayable on demand, Interest payable in the range of 11.60% to 11.75% for March 31, 2020 and 9.00% to 12.50% for March 31, 2019, 9% for April 01, 2018)			
	29.28	19,215.17	17,569.70
Borrowings in India	29.28	19,215.17	17,569.70
Borrowings outside India	-	-	-
	29.28	19,215.17	17,569.70
17. Subordinated Liabilities (at Amortised Cost)			
<u>Unsecured</u>			
Preference Shares - privately placed	340.55	516.59	516.59
(i) Subsidiaries		-	
(ii) Other	310.38	470.70	470.70
Interest accrued - subordinated liabilities	30.17	45.89	45.89
	340.55	516.59	516.59
Subordinated liabilities in India	340.55	516.59	516.59
Subordinated liabilities outside India	-	-	-
	340.55	516.59	516.59

The Preference Shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The Preference Shares were allotted on July 19, 2013. The Preference Shares are Cumulative and Redeemable. The Preference Shares carry a Cumulative dividend of 14.625%. The Preference Shares will be redeemed at a premium of Rs. 5 per preference share over the Face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment. The Company and the investor can seek the early redemption of preference shares after 5 years from the date of allotment by giving early redemption notice from May 16 to May 31, every year. In such a case, Company shall redeem preference shares within 30 days of receiving early redemption notice.

In line with the terms, during the year ended March 31, 2020, the Company has redeemed 10,688,000 preference shares basis the early redemption requests received. Consequently, as required under the Companies Act, the Company has also transferred amount Rs. 106.88 Million, being face value of preference shares redeemed, to capital redemption reserve from its free reserves.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

15.A Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2020

Redeemable non-convertible debentures - secured

Month				Grand total
	9% - 10%	10% - 11%	MLD*	
Mar 2021	-	-	368.38	368.38
Jul 2021	-	-	24.72	24.72
Aug 2021	482.45	-	-	482.45
Feb 2022	-	-	70.04	70.04
Mar 2022	-	-	186.55	186.55
Dec 2022	-	-	101.28	101.28
Feb 2023	-	-	228.83	228.83
Jun 2023	-	-	54.72	54.72
Feb 2023	351.52	-	-	351.52
Feb 2025	443.93	401.49	-	845.42
Dec 2026	-	-	110.73	110.73
Feb 2030	263.41	276.34	-	539.75
	1,541.31	677.83	1,145.25	3,364.39

Add: interest accrued **

33.90

Less: unamortised issuance cost

(116.56)

3,281.73

*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

As at March 31, 2019

There were no debt securities as at March 31, 2019. Hence, disclosure for maturity profile and rate of interest of debt securities is not disclosed.

15.B Details of debt securities:

Redeemable non-convertible debentures - secured

Public issue:

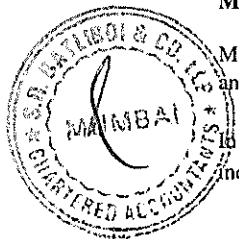
Debentures are secured by way of a charge in favour of the Debenture Trustee on present and/or future receivables and/or pari passu charge on an identified immovable property of the Company as may be decided mutually by our Company and the Debenture Trustee.

During the year ended March 31, 2020, the Company has raised Rs 2,219.13 million worth of redeemable non-convertible debentures through public issue. As at March 31 2020, the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the prospectus.

Market linked debentures:

Market linked debentures are secured by first charge / pari passu charge, as the case may be, on property and on present & future receivables, loans, securities, investments & other financial assets.

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.



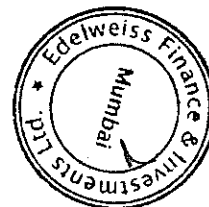
Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
18. Other financial liabilities			
Other payables	17.75	-	-
Accrued salaries and benefits	0.02	20.00	39.07
Provision for dividend distribution tax	-	9.25	9.34
Unpaid dividends	3.45	3.31	0.39
	21.22	32.56	48.80
19. Current tax liabilities (net)			
Provision for taxation (net)	34.43	80.24	194.00
	34.43	80.24	194.00
20. Provisions			
Provision for employee benefits			
Compensated leave absences	0.54	1.45	1.10
Deferred bonus	-	-	105.52
Others	9.01	9.01	9.01
	9.55	10.46	115.63
21. Other non-financial liabilities			
Statutory liabilities*	6.22	3.71	14.92
Others	6.41	12.63	3.63
	12.63	16.34	18.55

* Includes withholding taxes, provident fund, profession tax and other statutory dues payables



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(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
22. Equity share capital						
Authorized :						
Equity Shares of Rs.10 each	41,620,000	416.20	41,620,000	416.20	41,620,000	416.20
Preference shares of Rs 10 each	31,380,000	313.80	31,380,000	313.80	31,380,000	313.80
	73,000,000	730.00	73,000,000	730.00	73,000,000	730.00
Issued, Subscribed and Paid up:						
Equity Shares of Rs.10 each	8,335,332	83.35	3,435,332	34.35	3,435,332	34.35
	8,335,332	83.35	3,435,332	34.35	3,435,332	34.35

22.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	3,435,332	34.35	3,435,332	34.35	2,655,020	26.55
Shares issued during the year (Refer note below)	4,900,000	49.00	-	-	780,312	7.80
Outstanding at the end of the year	8,335,332	83.35	3,435,332	34.35	3,435,332	34.35

Notes:

During the financial year 2019-20, the Company has issued 49,00,000 fully paid-up equity shares of Rs.10 each at a premium of Rs 542 each for the consideration of Rs.2,704.80 million to Edelweiss Securities Limited through rights issue.

22.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.

22.C Shares held by holding/ultimate holding company

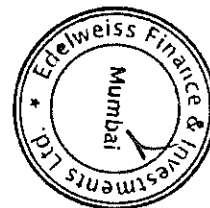
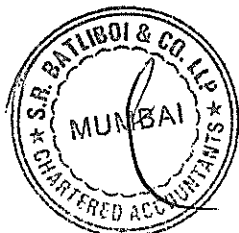
	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Securities Limited	5,243,534	62.91%	-	-	-	-
Fellow subsidiaries						
Edelweiss Financial Services Limited #	3,091,798	37.09%	3,435,332	100.00%	3,435,332	100.00%
	8,335,332	100.00%	3,435,332	100.00%	3,435,332	100.00%

22.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
Holding company						
Edelweiss Securities Limited	5,243,534	62.91%	-	-	-	-
Fellow subsidiaries						
Edelweiss Financial Services Limited #	3,091,798	37.09%	3,435,332	100.00%	3,435,332	100.00%
	8,335,332	100.00%	3,435,332	100.00%	3,435,332	100.00%

including 6 shares held by nominees of Edelweiss Financial Services Limited

22.E There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

23. Other Equity

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
a. Capital redemption reserve	116.59	9.71	9.71
b. Securities Premium Reserve	3,367.61	711.81	711.81
c. Statutory Reserve	961.23	921.04	921.04
d. General Reserve	-	90.26	90.26
e. Retained Earnings	74.74	(49.49)	(24.91)
f. Deemed capital contribution - Equity	15.18	15.18	15.18
	<u>4,535.35</u>	<u>1,698.51</u>	<u>1,723.09</u>

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. General Reserve

General reserve comprises of the Company's undistributed earnings which are transferred from the retained earnings.

e. Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

f. Deemed capital contribution - Equity

Deemed capital contribution - Equity relates to Share options granted to eligible employees of the company by the parent company under its employee share option plan.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

23. Other Equity

23. Other Equity (continued)

B. Movement in Other Equity

	As at March 31, 2020	As at March 31, 2019
I. Capital redemption reserve		
Opening Balance	9.71	9.71
Add : Additions during the year	106.88	-
	<u>116.59</u>	<u>9.71</u>
II. Securities Premium Reserve		
Opening Balance	711.81	711.81
Add : Premium received on issue of equity shares	2,655.80	-
	<u>3,367.61</u>	<u>711.81</u>
III. Statutory Reserve		
Opening Balance	921.04	921.04
Add : Reserve created for the year	40.19	-
	<u>961.23</u>	<u>921.04</u>
IV. General Reserve		
Opening Balance	90.26	90.26
Less: Transfer to Capital Redemption Reserve	(90.26)	-
	<u>-</u>	<u>90.26</u>
V. Retained Earnings		
Opening Balance	(49.49)	(24.91)
Add: Profit / (loss) for the year	184.29	13.09
Add: Other Comprehensive Income	(3.25)	0.10
Less: Income tax effect of ESOPs	-	(37.77)
Amount available for appropriation (a)	<u>131.55</u>	<u>(49.49)</u>
Appropriations:		
Transfer to Special Reserve	(40.19)	-
Transfer to Capital Redemption Reserve	(16.62)	-
Appropriations (b)	<u>(56.81)</u>	<u>-</u>
Total V - (a - b)	<u>74.74</u>	<u>(49.49)</u>
VI. Deemed capital contribution - Equity		
Opening Balance	15.18	15.18
Add : Additions during the year	-	-
	<u>15.18</u>	<u>15.18</u>
Total = (I+II+III+IV+V+VI)	<u>4,535.35</u>	<u>1,698.51</u>

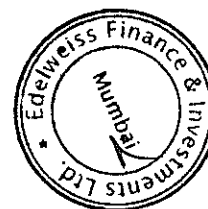


Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
24. Interest Income		
On Financial assets measured at amortised cost		
Interest income on Loans	98.55	-
Interest income on fixed deposits with Bank	1.10	3.45
Interest income on collateralised borrowing and lending operations	37.43	2.39
Other interest income		
- On margin with brokers	16.01	2.18
- On others	0.95	1.99
On Financial assets measured at fair value through profit or loss		
Interest income from debt securities held for trading	1,036.10	1,400.65
	1,190.14	1,410.66
25. Dividend Income		
Dividend on securities held for trading	-	1.44
	-	1.44
26. Fee income		
Processing and other fees	15.28	-
	15.28	-
27 Other income		
Profit on sale of property, plant and equipment (net)	0.01	0.21
Interest on income tax refund	1.51	12.28
	1.52	12.49



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
28. Finance costs		
On Financial Liabilities measured at Amortised Cost		
Interest on borrowings		
- Interest on collateralised borrowing and lending operations	55.87	79.31
- Interest on clearcorp repo order matching system	717.68	943.34
- Interest on loan from fellow subsidiaries	55.24	79.19
- Interest on Intercompany deposits	46.39	-
Interest on debt securities		
- Interest on debentures (public issue)	41.23	-
- Interest on market linked debentures	1.02	-
Interest on subordinated liabilities		
- Dividend on preference shares	34.08	55.24
Other interest expense		
- Finance and bank charges	6.54	5.04
- Collateralised borrowing and lending charges	26.33	42.34
	<u>984.38</u>	<u>1,204.46</u>
29. Net gain/(loss) on fair value changes (including treasury income)		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On securities held for trading	823.96	18.60
On derivative financial instrument	(545.54)	(77.36)
	<u>278.42</u>	<u>(58.76)</u>
Fair value changes		
Realised	277.44	117.45
Unrealised	0.98	(176.21)
	<u>278.42</u>	<u>(58.76)</u>
30. Impairment on financial instruments		
Expected credit loss		
Loans	25.67	-
	<u>25.67</u>	<u>-</u>
31. Employee benefits expense		
Salaries, wages and bonus	75.61	25.18
Contribution to provident and other funds	1.94	3.54
Expense on share based payments - Refer Note below	2.01	5.47
Staff welfare expenses	0.81	1.58
	<u>80.37</u>	<u>35.77</u>

Notes:

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



Edelweiss Financial Services Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

31. Employee benefits expense (continued)

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.

Amount of Rs. 1.91 million (previous year: Rs. 3.33 million) is recognised as expenses and included in "Employee benefits expense".

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 plan assets and 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.

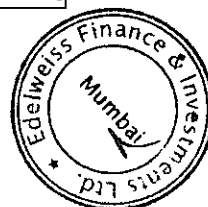
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2020	March 31, 2019
Present Value of DBO at Start of the year	7.91	7.48
<i>Service Cost</i>		
a. Current Service Cost	0.47	1.11
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Interest Cost	0.26	0.49
Benefits Paid	-	(0.21)
Re-measurements	-	-
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	0.25	0.13
c. Actuarial Loss/(Gain) from experience over last past year	(0.36)	(0.27)
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer In / (Out)	(4.24)	(0.82)
Present Value of DBO at end of the year	4.28	7.91

Reconciliation of Fair Value of Plan Assets

	March 31, 2020	March 31, 2019
Fair Value of Plan Assets at start of the year	9.41	8.95
<i>Contributions by Employer</i>	<i>0.03</i>	<i>0.01</i>
Benefits Paid	-	(0.21)
Interest Income Plan Assets	0.66	0.64
Re-measurements	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	(0.62)	0.02
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Fair Value of Plan Assets at end of the year	9.47	9.41
<i>Actual Return on Plan Assets</i>	<i>0.04</i>	<i>0.66</i>
<i>Expected Employer Contributions for the coming year</i>	<i>-</i>	<i>-</i>



Edelweiss Financial Services Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

31. Employee benefits expense (continued)

Expenses recognised in the Profit and Loss Account

	March 31, 2020	March 31, 2019
<i>Service Cost</i>		
a. Current Service Cost	0.47	1.11
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	(0.40)	(0.16)
Changes in foreign exchange rate	-	-
Employer Expenses	0.07	0.96

Net Liability / (Asset) recognised in the Balance sheet

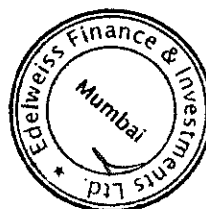
	March 31, 2020	March 31, 2019
Present Value of DOB	4.28	7.91
Fair Value of Plan Assets	9.47	9.41
Liability / (Asset) recognised in the Balance Sheet	(5.18)	(1.50)
Funded Status [Surplus/ (Deficit)]	5.18	1.50
Less: Amount not recognized as asset [Effect of limiting net assets to asset ceiling]	3.82	-
Liability / (Asset) recognised in the Balance Sheet	1.36	1.50
Of which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(0.36)	(0.27)

Percentage Break-down of Total Plan Assets

	March 31, 2020	March 31, 2019
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	99.6%	99.9%
Of which, Unit Linked	99.6%	99.9%
Of which, Traditional/ Non-Unit Linked	-	-
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	0.6%	0.1%
Total	100%	100%

Actuarial assumptions:

	March 31, 2020	March 31, 2019
Salary Growth Rate (% p.a.)	7% p.a.	7% p.a.
Discount Rate (% p.a.)	5.90% p.a.	7% p.a.
Withdrawal Rate (% p.a.)		
<i>Senior</i>	13% p.a.	13% p.a.
<i>Middle</i>	18% p.a.	18% p.a.
<i>Junior</i>	25% p.a.	25% p.a.
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	7% p.a.	7.3% p.a.
Expected weighted average remaining working life (years)	5 Years	5 Years



Edelweiss Financial Services Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

31. Employee benefits expense (continued)

Movement in Other Comprehensive Income

	March 31, 2020	March 31, 2019
Balance at start of year (Loss)/ Gain	0.16	-
Re-measurements on DBO		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changes in financials assumptions	(0.25)	(0.13)
c. Actuarial Loss/(Gain) from experience over last past year	0.36	0.27
Re-measurements on Plan Assets		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	(0.62)	0.02
Re-measurements on asset ceiling		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(3.82)	-
Balance at end of year (Loss)/ Gain	(4.17)	0.16

Sensitivity Analysis

DOB increases / (decreases) by	March 31, 2020	March 31, 2019
1 % Increase in Salary Growth Rate	0.24	0.39
1 % Decrease in Salary Growth Rate	(0.23)	(0.36)
1 % Increase in Discount Rate	(0.23)	(0.36)
1 % Decrease in Discount Rate	0.25	0.39
1 % Increase in Withdrawal Rate	(0.01)	(0.03)
1 % Decrease in Withdrawal Rate	0.01	0.03
Mortality (Increase in expected lifetime by 1 year)	-	Negligible
Mortality (Increase in expected lifetime by 3 year)	0.00	Negligible

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Movement in Surplus / (Deficit)

	March 31, 2020	March 31, 2019
Surplus / (Deficit) at start of year	1.50	1.47
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	4.24	0.82
Movement during the year	-	-
Current Service Cost	(0.47)	(1.11)
Past Service Cost	-	-
Net Interest on net DBO	0.40	0.16
Changes in foreign exchange rate	-	-
Re-measurements	(4.34)	0.16
Contributions / Benefits	0.03	0.01
Surplus / (Deficit) at end of year	1.36	1.50



Notes to financial statements (continued)

(Currency : Indian rupees in million)

32. Other expenses

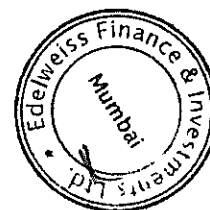
	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement and business promotion	0.51	0.15
Auditors' remuneration	2.83	1.77
Commission and brokerage	2.20	0.22
Communication	4.23	1.57
Directors' sitting fees	0.30	0.46
Insurance	0.13	0.09
Legal and professional fees	13.30	5.83
Printing and stationery	0.27	0.26
Rates and taxes	12.02	8.63
Rent	7.32	9.09
Repairs and maintenance	0.20	0.06
Electricity charges	-	0.93
Computer expenses	0.39	0.57
Computer software	4.74	6.09
Corporate social responsibility	-	5.00
Clearing & custodian charges	3.17	0.24
Rating support fees	0.22	0.13
Membership and subscription	0.48	0.09
Office expenses	55.92	17.46
Stamp duty	7.08	2.41
Travelling and conveyance	3.47	5.63
Miscellaneous expenses	7.10	7.20
	125.88	73.88

32.A Auditors' remuneration:

As a Auditor

Audit fees	2.56	1.70
Certification fees	0.15	-
Reimbursement of expenses	0.12	0.07
	2.83	1.77

In addition to above, during the year the Company has paid an amount of Rs. 4.12 million to statutory auditors towards certification fees for Public issue of NCDs. The fees paid to the statutory auditors has been amortised as over the NCD period and the same has been considered in calculation of Effective Interest Rate (EIR)



Notes to financial statements (continued)

(Currency : Indian rupees in million)

32.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.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount Spent (paid in cash)	9.39	14.99
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 39 related party disclosure)	-	5.00
Paid to external parties	-	-
	-	5.00

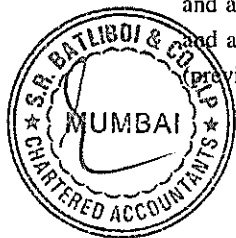
The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 308.14 million (Previous year: Rs. 225.19 million) (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 March 31, 2020, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2020.

32.C Operating leases

The Company has taken premises on operating lease. Rental expenses for the year aggregated to **Rs.7.32 million** (Previous year Rs.9.09 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

32.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group mediclaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies (if any) are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 31 and 32 include reimbursements paid and are net of the reimbursements received based on the management's best estimate are **Rs. 63.67 million** (previous year Rs. 11.86 million)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

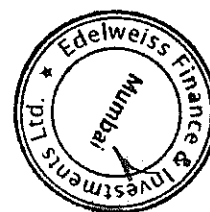
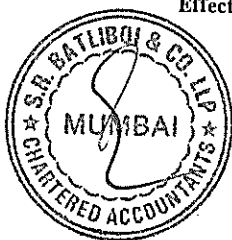
33. Income Tax

33.A Component of Income Tax Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	28.78	79.47
Adjustment in respect of current income tax of prior years	(15.62)	(10.09)
Deferred tax relating to temporary differences	66.21	(36.79)
Total Tax Charge for the year	79.37	32.59
Current Tax	13.16	69.38
Deferred Tax	66.21	(36.79)

33.B Reconciliation of total tax charge

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (Loss) before Taxes	263.66	45.68
Statutory Income Tax rate	25.17%	34.94%
Tax Charge at Statutory Rate	66.36	15.96
Adjustment in respect of current income tax of prior years	(15.62)	(10.09)
Tax effect of :		
Income / Items not subject to tax to chargeable to lower tax rate		
Dividend Income	-	(0.50)
Non deductible expenses		
Dividend on Preference shares	8.58	19.30
Interest on shortfall of advance tax	0.45	0.08
Donation expense	-	0.87
Impact on account of adoption of new tax regime	18.21	-
Others	1.39	6.97
Total tax expenses reported in Statement of Profit and Loss	79.37	32.59
Effective Income Tax Rate	30.10%	71.35%



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

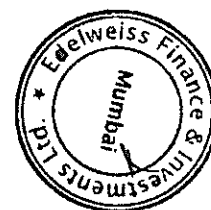
33.C Movement of Deferred Tax assets

Financial year 2019-20

	Movement for the period (2019-20)						As on March 31, 2020
	As on April 1, 2019	Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Others	Total movement	
Deferred tax assets							
Property, Plant and Equipment & Intangible assets	2.07	(0.60)	-	-	-	(0.60)	1.47
Unrealised loss on Derivatives	89.78	(89.78)	-	-	-	(89.78)	-
Employee benefits obligations	0.48	(0.35)	-	-	-	(0.35)	0.13
Expected credit loss provision	-	6.46	-	-	-	6.46	6.46
Others	1.83	(1.83)	-	-	-	(1.83)	-
Deferred tax liabilities							
Fair valuation of investments and securities held for trading - gain in valuation	(19.73)	19.49	-	-	-	19.49	(0.24)
Unrealised gain on derivatives	(0.40)	0.40	-	-	-	0.40	-
Deferred tax assets (net)	74.03	(66.21)	-	-	-	(66.21)	7.82

Financial year 2018-19

	Movement for the period (2018-19)						As on March 31, 2019
	As on April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Others	Total movement	
Deferred tax assets							
Property, Plant and Equipment & Intangible assets	2.38	(0.31)	-	-	-	(0.31)	2.07
Unrealised loss on derivatives	6.31	83.47	-	-	-	83.47	89.78
ESOP cost	37.77	-	-	(37.77)	-	(37.77)	-
MAT credit entitlement	6.47	-	-	-	(6.47)	(6.47)	-
Employee benefits obligations	37.26	(36.72)	(0.06)	-	-	(36.78)	0.48
Others	-	1.83	-	-	-	1.83	1.83
Deferred tax liabilities							
Fair valuation of investments and securities held for trading - gain in valuation	2.26	(21.99)	-	-	-	(21.99)	(19.73)
Unrealised gain on derivatives	(10.92)	10.52	-	-	-	10.52	(0.40)
Deferred tax assets (net)	81.53	36.79	(0.06)	(37.77)	(6.47)	(7.50)	74.03



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

34. 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 period.

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 / (loss) attributable to Equity holders of the Company	(A)	184.29	13.09
Weighted average Number of Shares			
- Number of equity shares outstanding at the beginning of the year		3,435,332	3,435,332
- Number of equity shares issued during the year		4,900,000	-
Total number of equity shares outstanding at the end of the year		8,335,332	3,435,332
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	3,448,720	3,435,332
Basic and diluted earnings per share (in rupees)	(A / B)	53.44	3.81

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

35. Contingent Liability & Commitment:

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.

35.1 Contingent Liability

	As at March 31, 2020	As at March 31, 2019
Taxation matters related to income tax for Assessment year 2009-10 and Assessment year 2013-14 in respect of which appeal is pending	0.60	0.60
Taxation matters related to service tax for the period from April 1, 2011 to March 31, 2016 in respect of which appeal is pending	-	3.08

35.2 Commitment

	As at March 31, 2020	As at March 31, 2019
a) Uncalled liabilities on non-current investments	-	-
b) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

36. 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	Retail financing

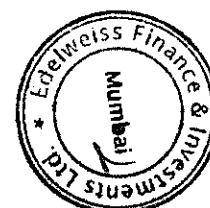
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities 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	Unallocated	Total
Revenue from Operations				
Interest Income	98.55	1,091.55	0.04	1,190.14
Other Operating income	8.17	278.43	8.62	295.22
Total Revenue from Operations	106.72	1,369.98	8.66	1,485.36
Expenses				
Interest Expenses	13.86	968.71	1.81	984.38
Other Expenses	87.34	145.15	4.83	237.32
Total Expenses	101.20	1,113.86	6.64	1,221.70
Segment profit before taxation	5.52	256.12	2.02	263.66
Income Tax Expenses			79.37	79.37
Profit for the year				184.29
Other Comprehensive Income	-	-	(3.25)	(3.25)
Total comprehensive income				181.04
Segment Assets	8,026.28	189.99	199.53	8,415.80
Segment Liabilities	3,710.61	36.54	49.95	3,797.10
Capital expenditure	0.34	0.92	-	1.26
Depreciation and amortisation	0.65	4.75	-	5.40
Significant non-cash items	25.42	(0.66)	-	24.76

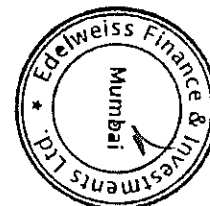


Edelweiss Finance & Investments Limited**Notes to financial statements (continued)**

(Currency : Indian rupees in million)

36. Segment Reporting (continued)**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	-	1,410.66	-	1,410.66
Other Operating income	-	13.93	-	13.93
Total Revenue from Operations	-	1,424.59	-	1,424.59
Interest Expenses	-	1,204.46	-	1,204.46
Other Expenses	-	174.45	-	174.45
Total Expenses	-	1,378.91	-	1,378.91
Segment profit/(loss) before taxation	-	45.68	-	45.68
Income Tax Expenses	-	32.59	-	32.59
Profit for the year	-	13.09	-	13.09
Other Comprehensive Income	-	0.10	-	0.10
Total comprehensive income	-	13.19	-	13.19
Segment Assets	-	21,913.97	-	21,913.97
Segment Liabilities	-	20,181.11	-	20,181.11
Capital expenditure	-	8.00	-	8.00
Depreciation and amortisation	-	6.04	-	6.04
Significant non-cash items	-	71.04	-	71.04



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

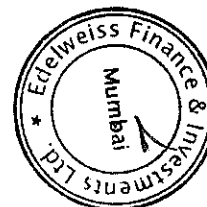
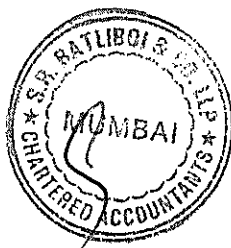
(Currency : Indian rupees in million)

37. Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at March 31, 2019	Cash Flows	Changes in Fair value	Other	As at March 31, 2020
Debt Securities	-	3,281.73	-	-	3,281.73
Borrowings (other than debt securities)	19,215.17	(19,185.89)	-	-	29.28
Subordinated Liabilities	516.59	(176.04)	-	-	340.55
	19,731.76	(16,080.20)	-	-	3,651.56

Particulars	As at April 01, 2018	Cash Flows	Changes in Fair value	Others	As at March 31, 2019
Borrowings (other than debt securities)	17,569.70	1,645.47	-	-	19,215.17
Subordinated Liabilities	516.59	-	-	-	516.59
	18,086.29	1,645.47	-	-	19,731.76



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. 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 1, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	months	months		months	months		months	months	
Financial Assets									
Cash and cash equivalents	1,587.54	-	1,587.54	1,050.24	-	1,050.24	152.96	-	152.96
Bank balances other than cash and cash equivalents	3.45	-	3.45	53.33	-	53.33	50.02	-	50.02
Derivative financial instruments	-	17.84	17.84	1.01	-	1.01	26.44	-	26.44
Securities held for trading	31.00	-	31.00	13,804.53	-	13,804.53	14,824.88	-	14,824.88
Trade receivables	11.90	-	11.90	6,283.79	-	6,283.79	4,563.14	-	4,563.14
Other receivables	13.73	-	13.73	0.84	-	0.84	95.30	-	95.30
Loans	6,392.90	-	6,392.90	-	-	-	-	-	-
Other financial assets	133.90	-	133.90	303.75	140.97	444.72	42.20	122.61	164.81
Non-financial assets									
Current tax assets (net)	-	136.65	136.65	-	145.62	145.62	-	306.19	306.19
Deferred tax assets (net)	-	7.82	7.82	-	74.03	74.03	-	81.53	81.53
Property, Plant and Equipment	-	6.09	6.09	-	6.56	6.56	-	9.78	9.78
Other intangible assets	-	5.55	5.55	-	9.27	9.27	-	4.71	4.71
Other non-financial assets	16.29	51.14	67.43	31.03	9.00	40.03	16.31	-	16.31
Total Assets	8,190.71	225.09	8,415.80	21,528.52	385.45	21,913.97	19,771.25	524.82	20,296.07
Financial Liabilities									
Derivative financial instruments	-	5.70	5.70	260.35	-	260.35	20.72	-	20.72
Trade payables	62.01	-	62.01	49.40	-	49.40	54.64	-	54.64
Debt securities	349.89	2,931.84	3,281.73	-	-	-	-	-	-
Borrowings (other than debt securities)	29.28	-	29.28	19,215.17	-	19,215.17	17,569.70	-	17,569.70
Subordinated Liabilities	194.76	145.79	340.55	45.89	470.70	516.59	-	516.59	516.59
Other financial liabilities	21.22	-	21.22	32.56	-	32.56	48.80	-	48.80
Non-financial liabilities									
Current tax liabilities (net)	34.43	-	34.43	80.24	-	80.24	-	194.00	194.00
Provisions	0.09	9.46	9.55	1.21	9.25	10.46	71.68	43.95	115.63
Other non-financial liabilities	9.37	3.26	12.63	12.90	3.44	16.34	14.96	3.59	18.55
Total Liabilities	701.05	3,096.05	3,797.10	19,697.72	483.39	20,181.11	17,780.50	758.13	18,538.63
Net Assets	7,489.66	(2,870.96)	4,618.70	1,830.80	(97.94)	1,732.86	1,990.75	(233.31)	1,757.44

Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

39. Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures"

i. List of related parties and relationship:

Relationship	Name of related parties
Ultimate Holding Company	Edelweiss Financial Services Limited
Holding Company	Edelweiss Securities Limited (w.e.f March 31, 2020)
Fellow Subsidiaries (with whom transaction have taken place)	ECL Finance Limited ECap Equities Limited Edel Land Limited Edelweiss Securities Limited (upto March 30, 2020) Edelweiss Broking Limited Edelweiss Housing Finance Limited Edelweiss Retail Finance Limited EdelGive Foundation Edelweiss Capital Markets Limited Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) Edelweiss Custodial Services Limited Edelweiss Finvest Private Limited Edelweiss Business Services Limited (Merged with Edelweiss Rural & Corporate Services Limited) Edelweiss Tokio Life Insurance Company Limited EFSL Trading Limited EFSL Comtrade Limited Edelweiss General Insurance Limited Edel Investments Limited Edelcap Securities Limited
Key Management Personnel	Venkatchalam Ramaswamy (upto August 11, 2019) , S Ranganathan *
Non executive Director	P.N. Venkatachalam Kunnasagaran Chinniah (w.e.f December 13, 2019) Venkatchalam Ramaswamy (w.e.f August 12, 2019) Shabnam Panjwani

* No remuneration drawn from the Company during the year ended March 31, 2020 and March 31, 2019

ii. Transactions with related parties :

Nature of Transactions	Related Party Name	March 31, 2020	March 31, 2019
A. Current account transactions			
Loans taken from (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	5,300.00	3,565.00
	ECap Equities Limited	9,000.00	4,566.00
Loan repaid to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	5,010.00	3,100.60
	ECap Equities Limited	5,000.00	-
Loans given to (refer note 1 below)	Edelweiss Broking Limited	2,700.00	-
	ECap Equities Limited	400.00	-
Repayment of loans by (refer note 1 below)	Edelweiss Broking Limited	600.00	-
	ECap Equities Limited	30.00	-
Inter corporate deposits (ICDs) taken from	Edelweiss Securities Limited	4,773.20	-
Inter corporate deposits (ICDs) repaid to	Edelweiss Securities Limited	4,773.20	-
B. Secondary market transactions			
Purchases of securities held for trading from	ECL Finance Limited	724.39	2,625.64
	Edelweiss Rural & Corporate Services Limited	-	1,132.24
	Edelweiss Finvest Private Limited	0.84	102.42
Sale of securities held for trading to	ECL Finance Limited	1,646.89	2,448.82
	Edelweiss Broking Limited	85.05	-
	Edelweiss Finvest Private Limited	101.35	-
	Edelweiss Rural & Corporate Services Limited	-	249.79
	Edelweiss Securities Limited	-	166.49
	Edelweiss Tokio Life Insurance Company Limited	-	86.19
	Edelweiss General Insurance Limited	-	99.91
	Edelweiss Retail Finance Limited	-	315.46
Margin placed with	Edelweiss Securities Limited	1.62	2.84
	Edel Investments Limited	1.93	0.26
	Edelweiss Custodial Services Limited	2,586.68	1,097.04



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

39. Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures" (contd.)

Nature of Transactions	Related Party Name	March 31, 2020	March 31, 2019
Margin refund received from	Edelweiss Securities Limited	1.63	3.56
	Edel Investments Limited	2.00	0.19
	Edelweiss Custodial Services Limited	2,670.84	1,118.75
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	875.42	-
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	922.84	-
Purchase of fixed asset from	^ Edelweiss Broking Limited	0.00	-
	Edelcap Securities Limited	0.04	-
	Edelweiss Financial Services Limited	0.01	-
	^ Edelweiss Rural & Corporate Services Limited	0.00	-
	Edelweiss Global Wealth Management Limited	0.00	-
	^ Edelweiss Securities Limited	0.00	-
Sale of fixed asset to	ECL Finance Limited	0.04	-
	^ Edelweiss Custodial Services Limited	0.00	-
	^ Edelweiss Rural & Corporate Services Limited	0.00	-
	^ Edelweiss Securities Limited	0.00	-
C. Other transactions			
Interest income on loan given to	Ecap Equities Limited	3.12	-
	Edelweiss Broking Limited	3.26	-
Interest received on debt instruments from	ECL Finance Limited	0.14	0.37
	Edelweiss Housing Finance Limited	0.02	0.02
	^ Edelweiss Retail Finance Limited	0.00	26.70
Interest Expense on loan taken from	Ecap Equities Limited	26.13	4.69
	Edelweiss Rural & Corporate Services Limited	29.11	46.95
	Edelweiss Finvest Private Limited	-	27.55
Interest expense on ICDs taken from	Edelweiss Securities Limited	46.39	-
Interest received on margin placed with brokers	Edelweiss Securities Limited	-	0.01
	Edelweiss Custodial Services Limited	7.59	2.66
	^ Edel Investments Limited	0.00	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	8.90	1.76
	Edelweiss Rural & Corporate Services Limited	54.66	7.73
	Edelweiss Business Services Limited	-	27.43
	Edelweiss Broking Limited	0.02	2.13
	Edelweiss Custodial Services Limited	0.03	0.12
	ECL Finance Limited	11.73	0.03
	Ecap Equities Limited	0.45	0.22
	Edelweiss Securities Limited	0.06	-
	Edelweiss Housing Finance Limited	0.45	-
Corporate Guarantee support fee	Edelweiss Financial Services Limited	4.67	4.38
Rating support fees paid to	Edelweiss Financial Services Limited	0.22	0.12
Clearing charges and Stamp duty paid to	^ Edelweiss Custodial Services Limited	2.98	0.00
Commission and brokerage paid to	^ Edelweiss Securities Limited	81.32	0.00
	Edelweiss Broking Limited	27.90	-
	Edel Investment Limited	0.03	-
Advisory fee paid to	Edelweiss Financial Services Limited	5.05	-
Donation given to	EdelGive Foundation	-	5.00
Remuneration payable to executive director (refer note 2 below)	Venkatchalam Ramaswamy	24.43	9.40
Sitting fees paid to non executive director	P.N. Venkatachalam	0.26	0.32
	Vinod Juneja	-	0.14



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

39. Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures" (contd.)

Nature of Transactions	Related Party Name	March 31, 2020	March 31, 2019
D. Balances with related parties			
Liabilities			
Corporate guarantee taken from	Edelweiss Financial Services Limited	310.38	916.77
Interest expenses accrued and due on borrowings	Edelweiss Rural & Corporate Services Limited	0.34	-
Trade payables to			
	Edelweiss Financial Services Limited	6.66	5.09
	^ Edelweiss Securities Limited	2.04	0.00
	Edelweiss Rural & Corporate Services Limited	11.26	3.31
	Edelweiss Business Services Limited	-	11.63
	Edelweiss Broking Limited	0.27	-
	^ ECap Equities Limited	0.00	0.07
	Edelweiss Retail Finance Limited	0.01	-
	Edel Investments Limited	-	0.72
	Edel Land Limited	-	0.38
	ECL Finance Limited	15.55	0.23
	Edelweiss Housing Finance Limited	1.34	-
Unsecured loan taken from			
	Ecap Equities Limited	-	4,566.00
	Edelweiss Rural & Corporate Services Limited	28.94	480.22
Securities held for trading - Debentures of			
	ECL Finance Limited	0.05	2.41
	Edelweiss Housing Finance Limited	0.12	0.15
	Edelweiss Retail Finance Limited	0.03	-
Payable to Broker	Edelweiss Securities Limited	-	0.08
Assets			
Accrued interest income on debentures of			
	^ ECL Finance Limited	0.00	0.05
	^ Edelweiss Retail Finance Limited	0.00	-
	Edelweiss Housing Finance Limited	0.01	0.01
Trade & other receivables			
	Edelweiss Financial Services Limited	10.62	-
	^ ECL Finance Limited	0.39	0.00
	Edelweiss Securities Limited	0.11	0.36
	Edelweiss Rural & Corporate Services Limited	-	0.02
	Edelweiss Custodial Services Limited	0.81	0.15
	^ EFSL Trading Limited	-	0.00
	Edelweiss Capital Markets Limited	-	0.14
	^ EFSL Comtrade Limited	-	0.00
	Edelcap Securities Limited	0.04	-
	Edelweiss Finvest Private Limited	0.74	-
	Edel Land Limited	0.60	-
Loan given to			
	Edelweiss Broking Limited	2,700.50	-
	Ecap Equities Limited	569.50	-
Interest accrued on loans given to			
	Edelweiss Broking Limited	2.93	-
	Ecap Equities Limited	2.81	-
Margin Placed with Brokers			
	Edelweiss Securities Limited	1.20	-
	Edelweiss Custodial Services Limited	9.76	93.93
	Edel Investments Limited	-	0.07
	Edelweiss Broking Limited	0.67	-

^ - less than Rs. 0.01 million

Note:

- 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 deferred bonus which are provided for group of employees on an overall basis.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

40. 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.

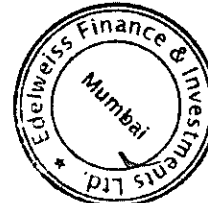
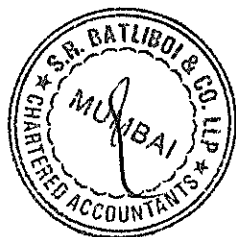
Regulatory Capital

The Company, being an NBFC, has to maintain a minimum capital to risk-weighted asset ratio of 15% in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

The regulatory capital is computed as below:

Particulars	As at March 31, 2020	As at 31 March 2019
Capital Funds		
Net owned funds (Tier I capital)	1,784.99	1,588.72
Tier II capital	336.05	470.70
Total capital	2,121.04	2,059.42
Total risk weighted assets/ exposures	3,783.63	7,092.27
% of capital funds to risk weighted assets/exposures:		
Tier I capital	47.18%	22.40%
Tier II capital	8.88%	6.64%
Total capital Funds	56.06%	29.04%

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 Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

41. Fair Value measurement:

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 2.11 for more details on fair value hierarchy

B. Valuation governance framework

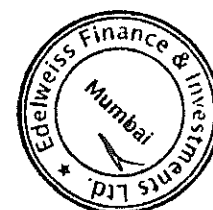
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by 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.

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
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	-	-	17.84	17.84
Total derivative financial instruments - A	-	-	17.84	17.84
Financial Assets held for trading				
Other debt securities	-	0.21	-	0.21
Exchange traded fund units	30.79	-	-	30.79
Total Financial assets held for trading - B	30.79	0.21	-	31.00
Total Financial assets measured at fair value (A+B)	30.79	0.21	17.84	48.84
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Embedded derivatives in market-linked debentures	-	-	5.70	5.70
Total derivative financial instruments	-	-	5.70	5.70
Total Financial liabilities measured at fair value	-	-	5.70	5.70



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

41. Fair Value measurement:

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	0.18	-	-	0.18
OTC derivatives	-	1.01	-	1.01
Total derivative financial instruments - A	0.18	1.01	-	1.19
Financial Assets held for trading				
Government debt securities	-	13,679.23	-	13,679.23
Other debt securities	-	125.30	-	125.30
Preference Shares	-	-	-	-
Total Financial assets held for trading - B	-	13,804.53	-	13,804.53
Total Financial assets measured at fair value (A+B)	0.18	13,805.54	-	13,805.72
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	9.69	-	-	9.69
OTC derivatives	-	260.35	-	260.35
Total derivative financial instruments - A	9.69	260.35	-	270.04
Total Financial liabilities measured at fair value	9.69	260.35	-	270.04

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

Whilst most of these instruments are standard fixed rate securities. Fair value of these instruments 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.

Equity instruments, units of mutual fund and Exchange traded fund units:

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. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. the fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. The Company classify the Interest rate swaps as level 2 instruments.

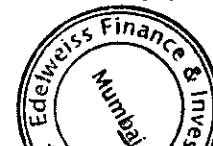
Exchange traded derivatives:

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.

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.

The 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 2 instruments.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

41. Fair Value measurement:

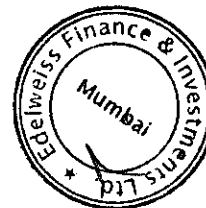
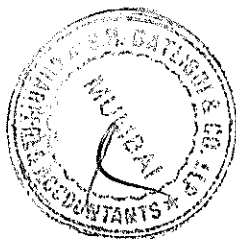
E. There have been no transfers between levels during the year ended March 31, 2020 and March 31, 2019.

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 31, 2020	Embedded options		
	Assets	Liabilities	Net balance
At April 1, 2019	-	-	-
Issuances	17.84	5.70	12.14
Settlements	-	-	-
At March 31, 2020	17.84	5.70	12.14

Financial year ended March 31, 2019

During the year ended March 31, 2019, there were no financial instruments which were classified under level 3 hierarchy. Hence, reconciliation table is not disclosed.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

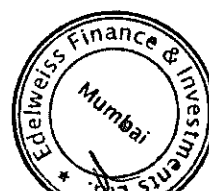
41. Fair Value measurement:

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
Embedded derivatives (net)	12.14	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level Risk-adjusted discount rate	8,597.75 4.50% to 6%	5% increase in Nifty Index curve 1% increase in Risk-adjusted discount rate	0.24 0.06	5% Decrease in Nifty Index curve 1% Decrease in Risk-adjusted discount rate	(0.22) (0.06)

There were no outstanding level 3 financial instruments as at March 31, 2019. Hence, disclosure of impact on fair value of changes to key unobservable inputs is not given.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

41. Fair Value measurement:

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. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is difference that the carrying amount. For the remaining financials assets and financial liabilities measured at amortised cost. 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
Financial Assets					
Loans	6,392.90	-	-	6,381.57	6,381.57
Financial Liabilities					
Debt securities	3,281.73	-	3,160.78	-	3,160.78
Subordinated Liabilities	340.55	-	334.84	-	334.84
As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Subordinated Liabilities	516.59	-	518.63	-	518.63

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, Borrowings (other than debt securities) approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financials assets and other financial liabilities is not significant in each of the years presented.

Financial assets at amortised cost

The fair values of 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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management

42.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.

42.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 Company 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 Company 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.

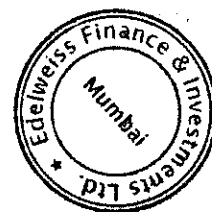
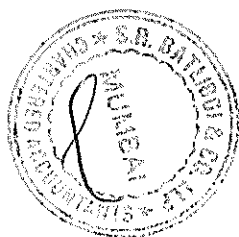
42.C Risk mitigation and risk culture

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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42.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
42.D.1	Credit risk 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 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.
42.D.2	Liquidity risk 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.
42.D.3	Market risk 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 Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42.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 I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

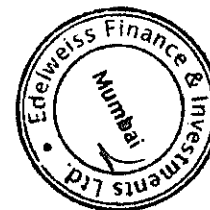
Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any 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)

The 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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42.D.1 Credit Risk (continued)

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. Company calculates the 12 month PD by taking into account the 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. Since the Company is into the business of lending against securities, haircut of 25% is applied on the value of the collateral, based on Basel haircut values for corporate securities. The exposure amount that is over and above the collateral (with haircut) is considered as the effective exposure. The LGD of 65% is used for the unsecured exposure the portfolio carries.

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.

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

As at March 31, 2020

Particulars	Central & State Government	Financial Services	Retail loans	Service Sector	Others	Total
Financial Assets						
Cash and cash equivalents	-	1,587.54	-	-	-	1,587.54
Bank balances other than cash and cash equivalents	-	3.45	-	-	-	3.45
Derivative financial instruments	-	17.84	-	-	-	17.84
Securities held for trading	-	31.00	-	-	-	31.00
Trade receivables	-	11.90	-	-	-	11.90
Other receivables	-	13.73	-	-	-	13.73
Loans	-	3,262.64	3,130.26	-	-	6,392.90
Other financial assets	-	133.90	-	-	-	133.90
Total Assets	-	5,062.00	3,130.26	-	-	8,192.26

As at March 31, 2019

Particulars	Central & State Government	Financial Services	Retail loans	Service Sector	Others	Total
Financial Assets						
Cash and cash equivalents	-	1,050.24	-	-	-	1,050.24
Bank balances other than cash and cash equivalents	-	53.33	-	-	-	53.33
Derivative financial instruments	-	1.01	-	-	-	1.01
Securities held for trading	13,679.23	125.30	-	-	-	13,804.53
Trade receivables	-	6,283.79	-	-	-	6,283.79
Other receivables	-	0.77	-	0.07	-	0.84
Other financial assets	-	443.65	-	-	1.07	444.72
Total Assets	13,679.23	7,958.09	-	0.07	1.07	21,638.46



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

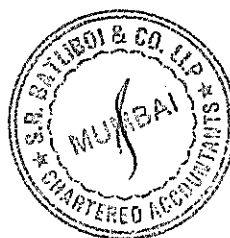
42.D.1 Credit Risk (continued)

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 pledge over marketable securities such as equity shares, mutual fund units, bonds, AIF units etc. 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, 2020	As at March 31, 2019	
Financial Assets			
Cash and cash equivalents	1,587.54	1,050.24	
Bank balances other than cash and cash equivalents	3.45	53.33	
Derivative financial instruments	17.84	1.01	
Securities held for trading	31.00	13,804.53	The Company invest in highly liquid Central/State Government securities, high rated Corporate Bonds & marketable securities.
Trade receivables	11.90	6,283.79	These are receivables mainly from Clearing houses and related party, carrying minimum risk.
Other receivables	13.73	0.84	
Loans			
Corporate credit	3,262.64	-	Receivable from related party.
Retail Credit	3,130.26	-	Equity shares, mutual fund units, Bonds, AIF units.
Other financial assets	133.90	444.72	
Total	8,192.26	21,638.46	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

42.D.2 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.

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.

Liquidity Cushion:

	As at March 31, 2020	As at March 31, 2019
Liquidity cushion		
Cash and cash equivalents	1,587.54	1,050.24
Lending (Repo)	-	3,900.00
Debt securities	0.21	125.30
Other quoted investments	30.79	-
Total Liquidity cushion	1,618.54	5,075.54

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2020	As at March 31, 2019
Committed Lines from Banks	-	50.00

Analysis of financial assets and liabilities by maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Gross settled, non-trading derivatives are shown separately, by contractual maturity at the foot of the note.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

42.D.2 Liquidity risk (continued)

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 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	1,587.54	-	-	-	-	-	1,587.54
(b) Bank balances other than cash and cash equivalents	3.45	-	-	-	-	-	3.45
(c) Derivative financial instruments	-	-	-	-	17.84	-	17.84
(d) Securities held for trading	-	31.00	-	-	-	-	31.00
(e) Receivables							
(i) Trade receivables	-	11.90	-	-	-	-	11.90
(ii) Other receivables	-	13.73	-	-	-	-	13.73
(f) Loans	3,275.74	127.02	87.17	3,195.26	-	-	6,685.19
(g) Other financial assets	-	11.87	1.03	121.00	-	-	133.90
Total undiscounted financial assets	4,866.73	195.52	88.20	3,316.26	17.84	-	8,484.55
Financial Liabilities							
(a) Derivative financial instruments	-	-	-	-	-	5.70	5.70
(b) Trade payables	-	62.01	-	-	-	-	62.01
(c) Debt securities	-	22.22	17.47	524.26	1,832.49	2,119.60	4,516.04
(d) Borrowings (other than debt securities)	29.28	-	-	-	-	-	29.28
(e) Subordinated Liabilities	-	194.86	-	-	28.43	164.24	387.53
(f) Other financial liabilities	-	21.22	-	-	-	-	21.22
Total undiscounted financial liabilities	29.28	300.31	17.47	524.26	1,860.92	2,289.54	5,021.78
Total net financial assets / (liabilities)	4,837.45	(104.79)	70.73	2,792.00	(1,843.08)	(2,289.54)	3,462.77

In the above table, cash flows have been considered basis contractual maturities of respective assets and liabilities. As at March 31, 2020, the Company has given short term loans, with a maturity of less than 12 months. However, Debt securities and Subordinated liabilities outstanding as at March 31, 2020 have a maturity of more than 12 months. The Surplus funds so available on repayments of aforementioned loans granted, shall be used to create further loan book.

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 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	1,050.24	-	-	-	-	-	1,050.24
(b) Bank balances other than cash and cash equivalents	53.33	-	-	-	-	-	53.33
(c) Derivative financial instruments	-	1.01	-	-	-	-	1.01
(d) Securities held for trading	-	13,804.53	-	-	-	-	13,804.53
(e) Receivables							
(i) Trade receivables	-	6,283.79	-	-	-	-	6,283.79
(ii) Other receivables	-	0.84	-	-	-	-	0.84
(f) Other financial assets	131.97	312.75	-	-	-	-	444.72
Total undiscounted financial assets	1,235.54	20,402.92	-	-	-	-	21,638.46
Financial Liabilities							
(a) Derivative financial instruments	-	260.35	-	-	-	-	260.35
(b) Trade payables	-	49.40	-	-	-	-	49.40
(c) Borrowings (other than debt securities)	5,052.27	14,162.90	-	-	-	-	19,215.17
(d) Subordinated Liabilities	-	45.89	-	-	91.79	576.32	714.00
(e) Other financial liabilities	-	32.56	-	-	-	-	32.56
Total undiscounted financial liabilities	5,052.27	14,551.10	-	-	91.79	576.32	20,271.48
Total net financial assets / (liabilities)	(3,816.73)	5,851.82	-	-	-91.79	(576.32)	1,366.98



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (continued)

42.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total market risk exposure

Particulars	As at March 31, 2020			As at March 31, 2019			Primary risk sensitivity
	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	
Financial Assets							
Cash and cash equivalents	1,587.54	-	1,587.54	1,050.24	-	1,050.24	
Bank balances other than cash and cash equivalents	3.45	-	3.45	53.33	-	53.33	Interest rate risk
Derivative financial instruments	17.84	17.84	-	1.01	1.01	-	Price risk, Interest rate risk
Securities held for trading	31.00	31.00	-	13,804.53	13,804.53	-	Price risk, Interest rate risk
Trade receivables	11.90	-	11.90	6,283.79	-	6,283.79	Price risk, Interest rate risk
Other receivables	13.73	-	13.73	0.84	-	0.84	
Loans	6,392.90	-	6,392.90	-	-	-	Interest rate risk
Other financial assets	133.90	-	133.90	444.72	-	444.72	
Total Assets	8,192.26	48.84	8,143.42	21,638.46	13,805.54	7,832.92	
Financial Liabilities							
Derivative financial instruments	5.70	5.70	-	260.35	260.35	-	Price risk, Interest rate risk
Trade payables	62.01	-	62.01	49.40	-	49.40	
Debt securities	3,281.73	-	3,281.73	-	-	-	Interest rate risk
Borrowings (other than debt securities)	29.28	-	29.28	19,215.17	-	19,215.17	Interest rate risk
Subordinated Liabilities	340.55	-	340.55	516.59	-	516.59	Interest rate risk
Other financial liabilities	21.22	-	21.22	32.56	-	32.56	Interest rate risk
Total Liabilities	3,740.49	5.70	3,734.79	20,074.07	260.35	19,813.72	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42. Risk Management (Continued)

42.E.1 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 March 31, 2020 and at March 31, 2019.

42.E.2 Interest rate sensitivity

The Company does not have floating rate borrowing and CBLO borrowings. Accordingly the Company's profitability will not be affected due to interest rate changes except for the Interest rate future agreements entered in by the Company.

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
Borrowings from related parties	25	(0.07)	-	25	0.07	-
Floating rate loans	25	8.19	-	25	(8.19)	-
Corporate debt securities	25	(0.00)	-	25	0.00	-
Other traded securities	25	(0.08)	-	25	0.08	-

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
Borrowings from related parties	25	(12.63)	-	25	12.63	-
Borrowings (Repo)	25	(35.41)	-	25	35.41	-
Government securities	25	(34.20)	-	25	34.20	-
Corporate debt securities	25	(0.31)	-	25	0.31	-
Interest rate swaps	25	64.38	-	25	(64.38)	-

42.E.3 Price Risk

The Company does not have investment in quoted equity shares or mutual fund units of equity oriented funds. Accordingly there is no effect on the Company's profitability or equity.

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
Derivative instruments						
Embedded derivative	25	0.03	-	25	(0.03)	-

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
Derivative instruments						
Interest rate futures	25	(52.48)	-	25	52.48	-

42.E.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its counterparties request repayment earlier or later than expected, such as fixed rate borrowings in the falling interest rate scenario.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

43. 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.

43.01 Investments

	As at March 31, 2020	As at March 31, 2019
1) Value of Investments (including securities held for trading)		
i) Gross Value of Investments		
a) In India	31.00	13,804.53
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	31.00	13,804.53
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	-	-

43.02 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	As at March 31, 2020	As at March 31, 2019
i) The notional principal of swap agreements	-	25,750.00
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the	-	1.01
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps@	0%	100%
v) The fair value of the swap book	-	(259.34)

@ % of concentration of credit risk arising from swaps with banks.

B) Exchange Traded Interest Rate (IR) Derivatives

	As at March 31, 2020	As at March 31, 2019
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	64,171.20
ii) Notional principal amount of exchange traded IR derivatives outstanding	-	1,070.00
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

C) Qualitative disclosure for Derivatives

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

D) Quantitative Disclosures

S.no.	Particulars	As at March 31, 2020		As at March 31, 2019	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)				
	For hedging	-	-	-	26,820.00
ii)	Marked to Market Positions				
	a) Assets (+)	-	-	-	1.01
	b) Liability (-)	-	-	-	(260.35)
iii)	Credit Exposure	-	-	-	247.50
iv)	Unhedged Exposures	-	-	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

43.03 Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2020	As at March 31, 2019
i. CRAR (%)	56.06%	29.04%
ii. CRAR - Tier I Capital (%)	47.18%	22.40%
iii. CRAR -Tier II Capital (%)	8.88%	6.64%
iv. Amount of subordinated debt raised as Tier-II capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

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

During the year ended March 31, 2020 and March 31, 2019, the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI except in one case in year ended March 31, 2020 where credit exposure to one borrower which exceeded the single borrower limit by Rs 47.41 Million. The same was regularised immediately upon identification.

43.05 Exposure to real estate sector, both direct and indirect;

	As at March 31, 2020	As at March 31, 2019
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 Rs.15 lakh 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 would also include non-fund based (NFB) limits;	-	-
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)*	-	-
Total Exposure	-	-

43.06 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 invested in corporate debt;	-	-
(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;	3,142.83	-
(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;	-	-
(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;	2,703.31	-
(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)	-	-
(ix) Others - Not covered above	-	-
Total exposure	5,846.14	-



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in Million)

43. Regulatory disclosures - RBI (continued)**43.07 Asset Liability Management****Maturity pattern of certain assets and liabilities as at March 31, 2020**

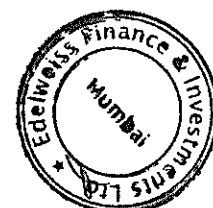
Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days (one month)	-	234.68	3,302.33	-	-
Over one month to 2 months	-	-	-	-	-
Over 2 months to 3 months	-	-	-	-	-
Over 3 months to 6 months	-	-	-	-	-
Over 6 months to 1 year	-	386.97	3,090.57	-	-
Over 1 year to 3 years	-	1,449.16	-	-	-
Over 3 years to 5 years	-	1,046.84	-	-	-
Over 5 years	-	533.91	-	-	-
Total	-	3,651.56	6,392.90	-	-

Maturity pattern of certain assets and liabilities as at March 31, 2019

Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days	-	19,215.17	-	13,804.53	-
Over one month to 2 months	-	45.89	-	-	-
Over 2 months to 3 months	-	-	-	-	-
Over 3 months to 6 months	-	-	-	-	-
Over 6 months to 1 year	-	-	-	-	-
Over 1 year to 3 years	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-
Over 5 years	-	470.70	-	-	-
Total	-	19,731.76	-	13,804.53	-

The asset liability mismatch for the short term as at March 31, 2019 are primarily on account of the trade date accounting followed by the Company for recording the purchase and sale transactions of government securities whereby the sale proceeds aggregating to Rs. 6,283.79 million are reflected as trade receivables as at March 31, 2019.

Further, the Company had temporarily deployed its excess liquidity aggregating to Rs. 3,900.00 million as at March 31, 2019 in the Repo Lending. Accordingly, the Company is well poised to meet its contractual obligations over all the maturity due dates.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

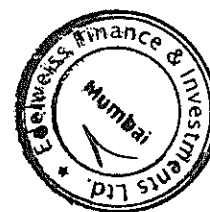
(Currency: Indian Rupees in Million)

43. Regulatory disclosures - RBI (continued)

43.08 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 provisions:

Particulars	As at March 31, 2020	As at March 31, 2019
i) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
ii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iii) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-



Edelweiss Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in Million)

43. Regulatory disclosures - RBI (continued)**43.09 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Provisions for depreciation on investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards income tax (net of deferred tax)	79.37	32.59
(iv) Provision for stage 1 / stage 2 assets	25.67	-
(v) Other Provision and Contingencies (Provision for doubtful debts)	-	-

43.10 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	4,901.90	-
Percentage of advances to twenty largest borrowers to total advances	76.37%	0.00%
B) Concentration of Exposures		
Total exposures to twenty largest borrowers / customers	4,901.90	-
Percentage of exposures to twenty largest borrowers / customers to	76.37%	0.00%
C) Concentration of NPAs		
Total exposures to top four NPAs	-	-
D) Sector-wise NPAs		
Sectors	Percentage of NPAs to Total Advances in that sector	
	March 31, 2020	March 31, 2019
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

43.11 Customer Complaints

	As at March 31, 2020	As at March 31, 2019
(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	-	-

43.12 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)-Nil**43.13 The Company has not restructured any loans and advances during the year ended March 31, 2020 and March 31, 2019.**

Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

43. Regulatory disclosures - RBI (continued)

43.14 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

Liabilities side :

	As at March 31, 2020		As at March 31, 2019	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures (other than falling within the meaning of public deposits \$)				
i) Secured	3,281.73	-	-	-
ii) Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowing	29.28	-	5,052.27	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans:				
Borrowings (Repo)	-	-	14,162.90	-
Preference Share Capital	340.55	-	516.59	-
(\$ Please see Note 1 below)				

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 (4) below]:		
(a) Secured	2,881.58	-
(b) Unsecured	3,536.99	-
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL / HP activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of		
Current Investments:(including securities held for trading)		
I. <u>Quoted</u> :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	0.21	125.30
(iii) Units of Mutual Funds	30.79	-
(iv) Government Securities	-	13,679.23
(v) Others	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

43.14 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. (Continued)

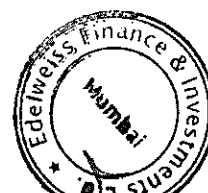
(4) Break-up of Investments (Continued)		Amount Outstanding	
		As at	As at
		March 31, 2020	March 31, 2019
2. Unquoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others (Debt instruments)		-	-
Long Term investments :			
1. Quoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. Unquoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
(a) Warrants		-	-
(b) Units of Fund		-	-
(c) Investment in Security Receipts		-	-
(d) Share Application Money		-	-

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:
As at March 31, 2020

Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Other related parties	-	3,262.64	3,262.64
2. Other than related parties	2,870.05	260.21	3,130.26

As at 31 March 2019

Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

43.14 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 19 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. (Continued)

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

Category	Market value / Break-up or fair value or NAV		Book value (net of provisions)	
	31 March 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	0.21	2.62	0.21	2.62
(c) Other related parties	-	-	-	-
2. Other than related parties	30.79	13,801.91	30.79	13,801.91
Total	31.00	13,804.53	31.00	13,804.53

** As per Ind AS-24 Related Party Disclosures

(7) Other information

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Gross Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(iii) Assets acquired in satisfaction of debts	-	-

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.

43.15 Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2020

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	AA-/stable	AA-/negative	AA-/stable	AA-/negative
Amount	16,150	16,350	12,000.00	5,000
(ii) Short Term Instruments				
Rating	A1+	-	A1+	-
Amount	40,000	-	35,000	-
(iii) Market linked debentures				
a. Short Term				
Rating	PP-MLD A1+r	PP-MLD A1+	-	-
Amount	715	4,000	-	-
b. Long Term				
Rating	PP-MLD AA-/stable	PP-MLD AA-/Negative	PP-MLD AA-/stable	PP-MLD AA-/negative
Amount	5,000	7,000	5,000	5,000

Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2019

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	AA/Stable	AA/Stable	-	AA+/Stable
Amount	11,150	16,350	-	500
(ii) Short Term Instruments				
Rating	A1+	A1+	A1+	-
Amount	10,000	10,000	10,000	-
(iii) Market linked debentures				
a. Short Term				
Rating	PP MLD A1+r	PP MLD A1+	-	-
Amount	715	4,000	-	-
b. Long Term				
Rating	-	PP MLD AA/Stable	-	-
Amount	-	7,000	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

43. Regulatory disclosures - RBI (continued)

43.16 Details of transaction with non executive directors

Sr.	Name of the Non executive director	Nature of Transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
1	P.N. Venkatachalam	Sitting Fees	0.26	0.32
2	Vinod Juneja	Sitting Fees	-	0.14

43.17 The Company has no disclosure in respect of securitisation as there are no financial assets sold to securitisation / reconstruction company

43.18 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral - Nil

43.19 Impact of prior period items on current year's profit and loss: Nil (Previous year Nil)

43.20 Circumstances in which Revenue Recognition has been postponed: Nil (Previous year Nil)

43.21 Draw Down from Reserves: Nil (Previous year Nil)

43.22 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)

43.23 Details of financing of parent company products - None (Previous year - none)

43.24 Off-Balance SPV sponsored - None (Previous year - none)

43.25 Registration obtained from other financial sector regulators - Nil (Previous year Nil)

43.26 Disclosure of Penalties imposed by RBI and other regulators - Nil (Previous year Nil)



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

43.27 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
A	B	C	D	E= C - D	F	G = D - F
Performing assets						
Standard	Stage 1	6,271.19	25.08	6,246.11	25.08	-
	Stage 2	147.38	0.59	146.79	0.59	-
Subtotal (i)		6,418.57	25.67	6,392.90	25.67	-
Non performing assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal (ii)		-	-	-	-	-
Total	Stage 1	6,271.19	25.08	6,246.11	25.08	-
	Stage 2	147.38	0.59	146.79	0.59	-
	Stage 3	-	-	-	-	-
	Total	6,418.57	25.67	6,392.90	25.67	-

As at March 31, 2019

There were no loans outstanding as at March 31, 2019. Hence, comparative information is not disclosed



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

43.28 Disclosure on liquidity risk

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2020	As at March 31, 2019
Number of significant counterparties*	11	3
Amount of borrowings from significant counterparties	899.80	19,209.12
% of Total deposits	NA	NA
% of Total liabilities	23.70%	95.18%

* "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 total liabilities.

ii) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

iii) Top 10 borrowings

	As at March 31, 2020	As at March 31, 2019
Amount of Borrowings from top 10 lenders*	899.80	19,284.42
% of Total Borrowings **	24.64%	97.73%

* Represents principal amount

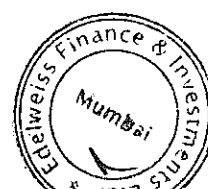
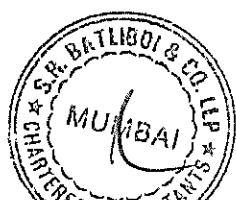
** Total borrowings represents debt securities + borrowings (other than debt securities) + subordinated liabilities

iii) Funding Concentration based on significant instrument/product

Name of the product	As at March 31, 2020		As at March 31, 2019	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Debentures				
Market linked debentures	1,145.26	30.16%	-	0.00%
Public issue	2,136.47	56.27%	-	0.00%
Borrowings other than Debt Securities				
Loan from related parties	29.28	0.77%	5,052.27	25.03%
Borrowings (Repo)	-	-	14,162.90	70.18%
Subordinated Liabilities				
Preference Shares - privately placed	340.55	8.97%	516.59	2.56%
Total	3,651.56	96.17%	19,731.76	97.77%

iv) Stock ratios:

	As at March 31, 2020	As at March 31, 2019
Commercial papers		
as a % of total public funds	NA	NA
as a % of total liabilities	NA	NA
as a % of total assets	NA	NA
Non-convertible debentures (original maturity of less than one year)		
as a % of total public funds	NA	NA
as a % of total liabilities	NA	NA
as a % of total assets	NA	NA
Other short-term liabilities		
as a % of total public funds	19.20%	99.83%
as a % of total liabilities	18.46%	97.60%
as a % of total assets	8.33%	89.89%



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

43.28 Disclosure on liquidity risk

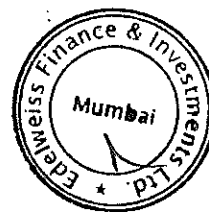
iv) Institutional set-up for liquidity risk management

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 -

- (a) Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any
- (b) 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;
- (c) 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
- (d) 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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees)

44. Other disclosures (continued)**44.01 Details of open interest for derivative instruments****44.01(a) Open interest in interest rate derivatives:**

As at March 31, 2020 : Nil

As at March 31, 2019

Benchmark	Notional principal	Terms	Purpose
MIBOR	25,750	Pay fixed Vs. receive floating	Hedging

44.01(b) Open interest rate futures as at March 31, 2020 with exchange

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	-	-
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

Open interest rate futures as at March 31, 2019 with exchange

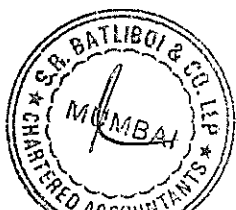
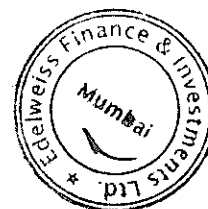
Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	1,900.00	3,800,000	7,250	14,500,000
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

44.02 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2020 (Previous year: Rs Nil).

44.03 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020.

44.04 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 Finance & Investments Limited**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in million)

45. 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 an additional tax expense of Rs 114.85 million. Since these tax expense pertains to earlier years, the Company has recognised the impact of these tax expense in its retained earnings / statement of Profit and Loss, 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.

As at April 01, 2018

	Reported amount	Increase/(decrease)	Revised amount
Other equity	1,854.67	(131.58)	1723.09
Current tax assets (net)	437.77	(131.58)	306.19

For the year ended and As at March 31, 2019

Balance Sheet	Reported amount	Increase/(decrease)	Revised amount
Other equity	1,813.36	(114.85)	1,698.51
Current tax assets (net)	260.47	(114.85)	145.62
Statement of Profit and Loss			
Current tax	86.11	(16.73)	69.38
Earnings per equity share (Face value of Rs. 10 each) (in Rs.)			
Basic	(1.06)	4.87	3.81
Diluted	(1.06)	4.87	3.81

46. The Company has implemented Ind AS 116 "Leases" as on April 1, 2019. This does not have any significant impact on financial statement for the year ended March 31, 2020.

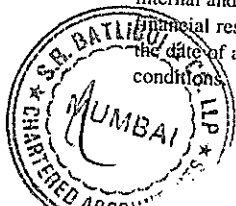
47. Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, in FY 2019-20, the Company has opted for the reduced tax rate of 25.17% under the said Section. Accordingly the Company has recognised provision for income tax for the year ended March 31, 2020 and has also re-measured its deferred tax asset, resulting in tax charge of Rs. 18.21 million.

48. 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 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 the Company'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, where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at February 29, 2020. 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 fall due. Based on the management assessment of liquidity position of the Company, 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 at all points in time during current period and for the period going forward.

In assessing the recoverability of loans and 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 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 results. The Company will continue to closely monitor material changes in markets and future economic conditions.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

49. Previous year figures has been restated/regrouped wherever necessary.

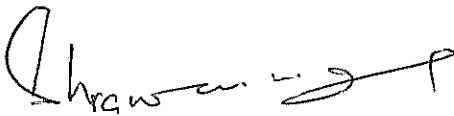
As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

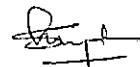
For and on behalf of the Board of Directors



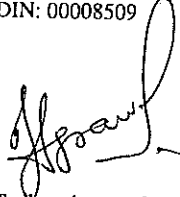
per Shrawan Jalan
Partner
Membership No: 102102



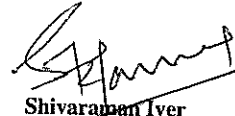
Venkatchalam Ramaswamy
Non-Executive Director
DIN: 00008509



S Ranganathan
Executive Director
DIN: 00125493



Tushar Agrawal
Chief Executive Officer



Shivarajan Iyer
Chief Financial Officer



Pooja Doshi
Company Secretary

Mumbai
July 03, 2020

Mumbai
July 03, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Finance & Investments Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Edelweiss Finance & Investments 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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 Board Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the



Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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.

Other Matters

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 Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 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 demerger impact of transfer of assets and liabilities to Edelweiss Finvest Private Limited and Edel Land Limited with effective date August 01, 2017 [refer Note 40 to the Ind AS financial statements]. The said financial information included in these 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

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 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 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, no managerial remuneration was paid/payable for the year ended March 31, 2019 by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32.1 to the Ind AS financial statements;



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- 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 42.05 to the 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

Shrawan Jalan

per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



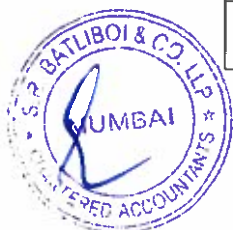
S.R. BATLIBOI & Co. LLP

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

- (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. Refer Note 12 to the Ind AS financial statements.
- (ii) The verification of securities held for trading have been conducted on the basis of statement of holding received from the Depository Participants and clearing corporation holding statement at reasonable intervals by the management during the year.
- (iii) 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 given in respect of which provisions of section 185 and 186 of the Companies Act 2013 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 clause 148(1) of the Companies Act, 2013, 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. The provisions relating to employees' state insurance, service tax, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.
- (b) According to the information and explanations given to us and based upon the audit procedures performed, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, service tax, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.
- (c) According to the information and explanations given to us and based upon the audit procedures performed, the dues of income-tax, service tax and cess on account of any dispute, are given below. The provisions relating to employees' state insurance, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

Name of the Statue	Nature of dues	Amount (Rs in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.14	AY 2009-10	Commissioner of Income Tax (A)
Income Tax Act, 1961	Income Tax	90.58	AY 2013-14	Commissioner of Income Tax (A)
Income Tax Act, 1961	Income Tax	63.15	AY 2016-17	Commissioner of Income Tax (A)
Finance Act, 1994	Service Tax	0.69	2011 to 2016	Commissioner Appeals-II, Mumbai



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Finance Act, 1994	Service Tax	2.30	2011 to 2015	Commissioner Appeals-II, Mumbai
Finance Act, 1994	Service Tax	0.08	2012 to 2014	Commissioner Appeals-II, Mumbai

- (viii) In our opinion and according to the information and explanations given by the management and based upon the audit procedures performed, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks. The Company does not have any dues to government or debenture holders.
- (ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
- (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 no fraud / material fraud 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 to us and records of the Company examined by us, no managerial remuneration has been paid / payable as per the provisions of section 197 read with Schedule V to the Companies Act, 2013. Accordingly, the provision of clause 3(xi) is not applicable to the Company.~~
- (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 and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet and based upon the audit procedures performed, the Company has not made any preferential allotment or private placement of shares 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 and audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us and audit procedures performed, 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 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EDELWEISS FINANCE & INVESTMENTS LIMITED

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

To the Members of Edelweiss Finance & Investments Limited

We have audited the internal financial controls over financial reporting of Edelweiss Finance & Investments Limited ("the Company") as of March 31, 2019 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

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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.



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Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 financial statements and such internal financial controls over financial reporting with reference to these 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 Finance & Investments 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
Assets				
Financial assets				
(a) Cash and cash equivalents	3	1,050.24	152.96	743.24
(b) Bank balances other than cash and cash equivalents	4	53.33	50.02	50.00
(c) Derivative financial instruments	5	1.01	26.44	-
(d) Securities held for trading	6	13,804.53	14,824.88	15,014.37
(e) Receivables				
(i) Trade receivables	7	6,283.79	4,563.14	222.97
(ii) Other receivables	7	0.84	95.30	105.23
(f) Investments	8	-	-	0.44
(g) Other financial assets	9	4,353.72	164.81	57.10
		25,547.46	19,877.55	16,193.35
Non-financial assets				
(a) Current tax assets (net)	10	260.47	437.77	181.37
(b) Deferred tax assets (net)	11	74.03	81.53	40.09
(c) Property, Plant and Equipment	12	6.56	9.78	10.45
(d) Other Intangible assets	12	9.27	4.71	1.30
(e) Other non- financial assets	13	31.03	16.31	2.58
		381.36	550.10	235.79
Total Assets		25,928.82	20,427.65	16,429.14
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	5	260.35	20.72	15.02
(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	14	49.40	54.64	39.20
(c) Borrowings (other than debt securities)	15	23,115.17	17,569.70	14,075.09
(d) Subordinated Liabilities	16	516.59	516.59	516.59
(e) Other financial liabilities	17	32.56	48.80	58.79
		23,974.07	18,210.45	14,704.69
Non-financial liabilities				
(a) Current tax liabilities (net)	18	80.24	194.00	195.07
(b) Provisions	19	10.46	115.63	152.32
(c) Other non-financial liabilities	20	16.34	18.55	26.19
		107.04	328.18	373.58
Equity				
(a) Equity share capital	21	34.35	34.35	26.55
(b) Other equity	22	1,813.36	1,854.67	1,324.32
		1,847.71	1,889.02	1,350.87
Total Liabilities And Equity		25,928.82	20,427.65	16,429.14

The accompanying notes are an integral part of the financial statements 1 to 43

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

Shrawan Jalan

per Shrawan Jalan

Partner

Membership No: 102102



For and on behalf of the Board of Directors

Venkatchalam Ramaswamy

Venkatchalam Ramaswamy

Executive Director

DIN: 00008509

Shivakam Iyer

Shivakam Iyer

Chief Financial Officer

S Ranganathan

S Ranganathan

Executive Director

DIN: 00125493

Mumbai

May 13, 2019

Mumbai

May 13, 2019

Edelweiss Finance & Investments 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
Revenue from operations			
Interest income	23	1,410.66	1,590.69
Dividend income	24	1.44	0.72
Other income	25	12.49	-
Total Revenue		1,424.59	1,591.41
Expenses			
Finance costs	26	1,204.46	1,353.53
Net loss on fair value changes (including Treasury income)	27	58.76	87.87
Employee benefits expense	28	35.77	132.29
Depreciation, amortisation and impairment	12	6.04	4.80
Other expenses	29	73.88	79.12
Total expenses		1,378.91	1,657.61
Profit/(Loss) before tax		45.68	(66.20)
Tax expenses			
(1) Current tax	30	86.11	(158.69)
(2) Deferred tax (net)	30	(36.79)	(34.44)
(Loss)/Profit for the year		(3.64)	126.93
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
a) Remeasurement gain on defined benefit plans (OCI)		0.16	0.48
b) Income Tax - OCI - that will not be reclassified		(0.06)	(0.17)
Total		0.10	0.31
Total Comprehensive Income		(3.54)	127.24
Earnings per equity share (Face value of Rs. 10 each) (in Rs.):			
(1) Basic	31	(1.06)	41.52
(2) Diluted	31	(1.06)	41.52

The accompanying notes are an integral part of these financial statements

1 to 43

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

Shrawan Jalan

per Shrawan Jalan
Partner
Membership No: 102102



AR Venkatchalam

Venkatchalam Ramaswamy
Executive Director
DIN: 00008509

S Ranganathan

S Ranganathan
Executive Director
DIN: 00125493

Shivaraman Iyer

Shivaraman Iyer
Chief Financial Officer

Mumbai
May 13, 2019



Mumbai
May 13, 2019

Edelweiss Finance & Investments 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
A Cash flow from operating activities		
Profit / (Loss) before tax	45.68	(66.20)
<i>Adjustments for</i>		
Depreciation and amortisation expense	6.04	4.80
Profit on sale of investments	-	(25.60)
Fair value loss / (gain) of financial instruments	176.21	37.08
Provision for compensated absences	0.35	0.43
Write back of deferred bonus	(105.52)	(46.13)
Interest expenses	1,157.65	1,320.11
Expense on employee stock option scheme	5.47	4.23
Profit on sale of of Property, Plant and Equipment	(0.21)	-
Operating cash flow before working capital changes	1,285.67	1,228.72
<i>Add / (Less): Adjustments for working capital changes</i>		
Trade and Other Receivables	(1,626.19)	(4,338.24)
Securities held for trading	844.14	152.41
Other Financial Assets	(4,166.79)	(134.17)
Other Non Financial Assets	(14.72)	(13.73)
Trade Payables	(5.24)	15.44
Non Financial Liabilities and Provisions	(7.52)	1.85
Other Financial Liabilities	223.39	(4.29)
Cash used in operations	(3,467.26)	(3,084.01)
Income taxes paid	(16.11)	(98.79)
Net cash used in operating activities - A	(3,483.37)	(3,182.80)
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(8.00)	(8.79)
Sale of Property, Plant and Equipment	0.83	1.25
Sale of Investments	-	26.04
Net cash (used in)/generated from investing activities - B	(7.17)	18.50
C Cash flow from financing activities		
Proceeds from issuance of Share capital (including Securities Premium)	-	399.52
Increase in Borrowings other than Debt Securities (refer note 2 below & note 34)	5,566.33	3,467.71
Interest paid	(1,178.51)	(1,293.21)
Net cash generated from financing activities - C	4,387.82	2,574.02
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	897.28	(590.28)
Cash and cash equivalent as at the beginning of the year	152.96	743.24
Cash and cash equivalent as at the end of the year	1,050.24	152.96
Operational cash flows from interest and dividends		
Interest paid	-	-
Interest received	1,440.08	1,670.07
Dividend received	1.44	0.72



Edelweiss Finance & Investments Limited

Statement of cash flows for the year ended March 31, 2019 (continued)

(Currency : Indian rupees in million)

Notes:

- 1 Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 (Statement of Cash Flows) prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
- 2 Net figures have been reported on account of volume of transactions.
- 3 Refer note 34 for change in liabilities arising from financing activities

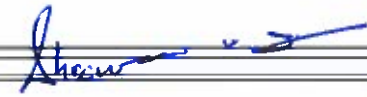
As per our report of even date attached.

For S. R. Battiboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors



per Shrawan Jalan
Partner
Membership No: 102102



Venkatchalam Ramaswamy
Executive Director
DIN: 00008509



S Ranganathan
Executive Director
DIN: 00125493



Shivarajan Iyer
Chief Financial Officer

Mumbai
May 13, 2019



Mumbai
May 13, 2019

Edelweiss Finance & Investments Limited

(Currency : Indian rupees in million)

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

A. Equity Share Capital

Particulars	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)	34.35	-	34.35	26.55	7.80	34.35

B. Other Equity

Particulars	Capital redemption reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Deemed Capital Contribution - Equity	Total Attributable to equity holders
Balance as at April 1, 2017	9.71	320.09	878.58	90.26	14.73	10.95	1,324.32
Profit for the year	-	-	-	-	126.93	-	126.93
Other Comprehensive Income	-	-	-	-	0.31	-	0.31
	9.71	320.09	878.58	90.26	141.97	10.95	1,451.56
Securities premium on Shares Issued during the year	-	391.72	-	-	-	-	391.72
Income Tax Impact on ESOPs	-	-	-	-	7.16	-	7.16
Transfer to Statutory Reserve	-	-	42.46	-	(42.46)	-	-
ESOPs charged during the year	-	-	-	-	-	4.23	4.23
Balance as at March 31, 2018	9.71	711.81	921.04	90.26	106.67	15.18	1,854.67
Loss for the year	-	-	-	-	(3.64)	-	(3.64)
Other Comprehensive Income	-	-	-	-	0.10	-	0.10
	9.71	711.81	921.04	90.26	103.13	15.18	1,851.13
Income Tax Impact on ESOPs	-	-	-	-	(37.77)	-	(37.77)
Balance as at March 31, 2019	9.71	711.81	921.04	90.26	65.36	15.18	1,813.36

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102



AP Venkatchalam

Venkatchalam Ramaswamy

Executive Director

DIN: 00008509

S Ranganathan

Executive Director

DIN: 00125493

Shivaraman Iyer

Chief Financial Officer

Mumbai

May 13, 2019

Mumbai

May 13, 2019



Edelweiss Finance & Investments Limited

Notes to the financial statements

1. Corporate information:

Edelweiss Finance & Investments Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Financial Services Limited. The Company was incorporated on October 27, 1994, 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 trading and investing in government securities and fixed income securities.

2. Significant accounting policies

2.1 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 31, 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 40 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.

2.2 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 35-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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

2.3 Recognition of interest income and dividend income

2.3.1 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.

2.3.2 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

2.3.3 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.

2.4 Financial instruments:

2.4.1 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.

2.4.2 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.

2.4.3 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 / loss on fair value changes. In those cases where fair value is based on models for which some of the inputs are not



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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.

2.4.4 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.

2.5 Financial assets and liabilities:

2.5.1 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.



Edelweiss Finance & Investments Limited
Notes to the financial statements (continued)

2.5.2 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 / loss on fair value changes.

2.5.3 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.

2.5.4 Financial liabilities:

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

2.5.5 Derivative financial instruments:

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

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.

2.5.6 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.

2.5.7 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;

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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.

2.5.8 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.

2.6 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.

2.7 Derecognition of financial Instruments:

2.7.1 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.

2.7.2 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.



Edelweiss Finance & Investments Limited
Notes to the financial statements (continued)

2.8 Impairment of financial assets:

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 expected credit loss (ECL) 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 categorises 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%.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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.

2.9 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.

2.10 Write-offs:

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

2.11 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;

- 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



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Notes to the financial statements (continued)

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.

2.12 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.

2.13 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



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Notes to the financial statements (continued)

weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.14 Retirement and other employee benefit:

2.14.1 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.

2.14.2 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.

2.14.3 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.

2.14.4 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.

2.14.5 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.



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Notes to the financial statements (continued)

2.15 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 April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.16 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 April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



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Notes to the financial statements (continued)

2.17 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.

2.18 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.

2.19 Income tax expenses:

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

2.19.1 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.

2.19.2 Deferred tax:

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



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Notes to the financial statements (continued)

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.

Minimum Alternative Tax (MAT) credit

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

2.19.3 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.

2.20 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.

2.21 Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, 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.

2.21.1 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 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



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Notes to the financial statements (continued)

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.

2.21.2 Significant increase in credit risk:

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. 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.

2.21.3 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.

2.21.4 Effective Interest Rate (EIR) Method:

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

2.22 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.



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Notes to the financial statements (continued)

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

2.23 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.

2.24 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.

2.25 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.



2.26 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 April 1, 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 April 1, 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)).



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Notes to the financial statements (continued)

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 April 1, 2019.



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Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
3. Cash and cash equivalents			
Cash in hand	-	0.01	-
Balances with banks			
- in current accounts	1,050.24	152.95	743.24
	1,050.24	152.96	743.24

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
4. Bank balances other than cash and cash equivalents			
Short term bank deposits with banks *	50.02	50.02	50.00
(other bank deposits with maturity less than 12 months)			
Earmarked balance with bank (unpaid dividends)	3.31	-	-
	53.33	50.02	50.00

4.A Encumbrances on fixed deposits held by the Company:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposit pledged against overdraft facility			
RBL Bank Limited	50.00	50.00	50.00
	50.00	50.00	50.00

* Fixed deposit with bank earns interest at fixed rate of Rs. 0.02 (March 31, 2018: Rs. 0.02; March 31, 2017: Rs. Nil)



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Notes to financial statements (continued)

(Currency : Indian rupees in million)

5. 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.

Particulars	March 31, 2019							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest Rate Swaps	Rs. Million	INR	2,500	1.01	Rs. Million	INR	23,250	260.35
Interest Rate Futures	G-Sec Units		3,800,000	0.18	G-Sec Units		14,500,000	9.69
Less: amounts offset				(0.18)				(9.69)
(Refer Note 5.A)								
Total Derivative Financial Instruments			Total	1.01			Total	260.35

Particulars	March 31, 2018							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest Rate Swaps	Rs. Million	INR	6,500	26.44	Rs. Million	INR	8,000	20.72
Interest Rate Future	G-Sec Units		5,444,000	3.29			-	-
Less: amounts offset				(3.29)				-
(Refer Note 5.A)								
Total Derivative Financial Instruments				26.44				20.72

Particulars	April 01, 2017							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest Rate Swaps	Rs. Million	INR	-	-	Rs. Million	INR	550	15.02
(Refer Note 5.A)								
Total Derivative Financial Instruments				-				15.02

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.

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 39.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.



5.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

March 31, 2019	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		
Trade receivables	9,096.11	(2,812.32)	6,283.79	-	-	6,283.79	6,283.79	6,283.79
Derivative Assets	1.19	(0.18)	1.01	(1.01)	-	-	1.01	-
Margin placed with broker*	303.47	-	303.47	-	(208.25)	95.22	303.47	95.22

Financial Liabilities subject to offsetting, netting arrangements

March 31, 2019	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 liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential		
Trade payables	2,812.32	(2,812.32)	-	-	-	-	-	-
Derivative Liabilities	270.04	(9.69)	260.35	(1.01)	(208.25)	51.09	260.35	51.09

Financial Assets subject to offsetting, netting arrangements

March 31, 2018	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		
Trade receivables	9,615.36	(5,052.22)	4,563.14	-	-	4,563.14	4,563.14	4,563.14
Derivative Assets	29.73	(3.29)	26.44	(9.89)	(4.45)	12.10	26.44	12.10
Margin placed with broker*	41.51	-	41.51	-	(15.28)	26.23	41.51	26.23



5.A Offsetting (continued)

Financial Liabilities subject to offsetting, netting arrangements

March 31, 2018	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 liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential	Recognised in the balance sheet	After consideration of netting potential
Trade payables	5,052.22	(5,052.22)	-	-	-	-	-	-
Derivative Liabilities	20.72	-	20.72	-	(10.83)	9.89	20.72	9.89

Financial Assets subject to offsetting, netting arrangements

April 1, 2017	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	Recognised in the balance sheet	After consideration of netting potential
Trade receivables	429.93	(206.96)	222.97	-	-	222.97	222.97	222.97
Derivative Assets	-	-	-	-	-	-	-	-
Margin placed with broker*	16.18	-	16.18	-	(15.02)	1.16	16.18	1.16

Financial Liabilities subject to offsetting, netting arrangements

April 1, 2017	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 liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential	Recognised in the balance sheet	After consideration of netting potential
Trade payables	206.96	(206.96)	-	-	-	-	-	-
Derivative Liabilities	15.02	-	15.02	-	(15.02)	-	15.02	-

*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 Finance & Investments Limited**Notes to financial statements (continued)**

(Currency : Indian rupees in million)

6 Securities held for trading

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At Fair Value Through Profit and Loss			
(i) Government Debt Securities	13,679.23	14,406.88	14,564.10
(ii) Debt securities	125.30	389.24	450.27
(iii) Preference Shares	-	28.76	-
Total	13,804.53	14,824.88	15,014.37
(i) Investments outside India	-	-	-
(ii) Investments in India	13,804.53	14,824.88	15,014.37
Total	13,804.53	14,824.88	15,014.37



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6 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>									
Government Debt Securities									
8.12% Government Stock 10.12.2020 Bonds	100	16,500,000	1,733.39	100	4,500,000	473.64	100	500,000	53.58
7.28% Government Stock 03.06.2019 Bonds	100	250,000	25.63	100	250,000	25.79	100	250,000	26.00
8.27% Government Stock 09.06.2020 Bonds	100	1,000,000	104.59	100	18,100,000	1,907.85	100	13,000,000	1,395.94
6.35% Government Stock 02.01.2020 Bonds	100	500,000	50.78	100	5,000,000	504.50	-	-	-
6.79% Government Stock 15.05.2021 Bonds	100	500,000	49.31	100	4,500,000	439.20	-	-	-
7.80% Government Stock 03.05.2020 Bonds	100	500,000	52.28	100	5,500,000	577.58	-	-	-
7.17% Government Stock 08.01.2028 Bonds	100	30,000,000	2,988.99	100	1,500,000	150.20	-	-	-
8.79% Government Stock 08.11.2021 Bonds	100	500,000	54.26	100	3,000,000	325.42	-	-	-
7.16% Government Stock 20.05.2023 Bonds	100	1,000,000	103.52	-	-	-	-	-	-
6.68% Government Stock 17.09.2031 Bonds	100	500,000	46.46	-	-	-	-	-	-
6.65% Government Stock 09.04.2020 Bonds	100	6,500,000	672.02	-	-	-	-	-	-
8.71% Tamilnadu Government Stock 08.02.2022 Bonds	100	2,500,000	264.83	-	-	-	-	-	-
7.80% Government Stock 11.04.2021 Bonds	100	3,500,000	371.05	-	-	-	100	34,000,000	3,653.55
7.37% Government Stock 16.04.2023 Bonds	100	5,000,000	525.94	-	-	-	-	-	-
8.75% Kerala State Development Loan 22.02.2022 Bonds	100	5,000,000	528.74	-	-	-	-	-	-
8.75% Tamilnadu State Development Loans Government Stock 22.02.2022 Bonds	100	5,000,000	528.74	-	-	-	-	-	-
7.94% Government Stock 24.05.2021 Bonds	100	4,000,000	422.08	-	-	-	-	-	-
8.24% Government Stock 15.02.2027 Bonds	100	1,000,000	105.47	-	-	-	-	-	-
8.64% Andhra Pradesh State Development Loan Government Stock 06.03.2023 Bonds	100	2,000,000	211.77	-	-	-	-	-	-
8.92% Punjab Government Stock 08.08.2022 Bonds	100	2,500,000	267.71	-	-	-	-	-	-
8.76% Maharashtra State Development Loans Government Stock 22.02.2022 Bonds	100	2,500,000	264.44	-	-	-	-	-	-
8.66% Tamilnadu Government Stock 25.01.2022 Bonds	100	5,000,000	523.72	-	-	-	-	-	-
8.18% Tamilnadu State Development Loan Government Stock 19.12.2028 Bonds	100	800	0.08	-	-	-	-	-	-
8.69% Gujarat State Development Loan Government Stock 08.02.2022 Bonds	100	2,500,000	264.70	-	-	-	-	-	-
7.26% Government Stock 14.01.2029 Bonds	100	14,000,000	1,413.20	-	-	-	-	-	-
7.00% Government Stock 21.01.2021 Bonds	100	3,000,000	306.48	-	-	-	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2020 Bonds	100	42,000	4.27	-	-	-	-	-	-
7.32% Government Stock 28.01.2024 Bonds	100	995,000	102.32	-	-	-	-	-	-
8.38% Maharashtra Government Stock 25.03.2020 Bonds	100	500,000	50.89	-	-	-	-	-	-
8.25% Uttar Pradesh Government Stock Special 29.03.2020 Bonds	100	5,000,000	506.49	-	-	-	-	-	-
8.92% Kerala State Development Loan 08.08.2022 Bonds	100	500,000	53.54	-	-	-	-	-	-
8.72% Andhra Pradesh State Development Loan Government Stock 11.01.2022 Bonds	100	2,500,000	266.32	-	-	-	-	-	-
8.59% Andhra Pradesh State Development Loan Government Stock 23.01.2023 Bonds	100	500,000	53.34	-	-	-	-	-	-
9.37% Gujarat State Development Loan 04.12.2023 Bonds	100	2,500,000	273.91	-	-	-	-	-	-
8.80% Tamilnadu State Government Stock Development Loan 25.10.2022 Bonds	100	4,000,000	437.65	-	-	-	-	-	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6 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
Government Debt Securities (continued)									
7.48% Chattisgarh Gujarat State Government Stock Development Loan 06.03.2022 Bonds	100	500,000	50.32	-	-	-	-	-	-
8.35% Government Stock 14.05.2022 Bonds	-	-	-	12,500,000	100	1,335.13	100	3,500,000	383.46
8.08% Government Stock 02.08.2022 Bonds	-	-	-	3,500,000	100	364.50	100	500,000	53.41
6.97% Government Stock 06.09.2026 Bonds	-	-	-	1,500,000	100	145.36	-	-	-
8.20% Government Stock 15.02.2022 Bonds	-	-	-	26,500,000	100	2,763.33	-	-	-
8.15% Government Stock 11.06.2022 Bonds	-	-	-	12,500,000	100	1,318.46	-	-	-
6.84% Government Stock 19.12.2022 Bonds	-	-	-	10,000,000	100	1,000.54	-	-	-
8.28% Government Stock 21.09.2027 Bonds	-	-	-	428,000	100	44.65	-	-	-
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds	-	-	-	3,200,000	100	334.18	-	-	-
8.60% West Bengal State Government Stock 23.04.2018 Bonds	-	-	-	450,000	100	46.75	-	-	-
8.24% Government Stock 22.04.2018 Bonds	-	-	-	4,000,000	100	414.98	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2019 Bonds	-	-	-	10,000,000	100	1,014.06	-	-	-
6.17% Government Stock 12.06.2023 Bonds	-	-	-	2,500,000	100	242.38	-	-	-
8.54% Madhya Pradesh Government Stock 10.03.2020 Bonds	-	-	-	5,000,000	100	514.34	-	-	-
7.75% Rajasthan State Uday Government Stock 23.06.2018 Bonds	-	-	-	2,000,000	100	204.74	-	-	-
8.48% Andhra Pradesh State Development Loans 24.02.2020 Bonds	-	-	-	2,500,000	100	257.70	-	-	-
8.15% Bihar State Development Loan Government Stock 27.03.2028 Bonds	-	-	-	3,400	100	0.35	-	-	-
8.16% Karnataka State Development Loan Government Stock 26.11.2025 Bonds	-	-	-	12,000	100	1.25	-	-	-
8.40% Government Stock 28.07.2024 Bonds	-	-	-	-	-	-	100	15,000,000	1,643.93
8.15% Government Stock 24.11.2026 Bonds	-	-	-	-	-	-	100	5,000,000	547.64
7.68% Government Stock 15.12.2023 Bonds	-	-	-	-	-	-	100	24,000,000	2,554.17
7.72% Government Stock 25.05.2025 Bonds	-	-	-	-	-	-	100	16,000,000	1,709.34
8.13% Government Stock 22.06.2045 Bonds	-	-	-	-	-	-	100	5,000,000	550.93
7.06% Government Stock 10.10.2046 Bonds	-	-	-	-	-	-	100	2,000,000	200.51
8.24% Tamilnadu Government Stock Uday 22.03.2028 Bonds	-	-	-	-	-	-	100	3,697,800	378.46
8.04% Tamilnadu Government Stock Uday 22.03.2029 Bonds	-	-	-	-	-	-	100	3,150,000	318.47
8.01% Tamilnadu Government Stock Uday 22.03.2030 Bonds	-	-	-	-	-	-	100	2,280,000	229.64
8.05% Tamilnadu Government Stock Uday 22.03.2031 Bonds	-	-	-	-	-	-	100	4,000,000	404.41
7.92% Tamilnadu Government Stock Uday 22.03.2032 Bonds	-	-	-	-	-	-	100	3,920,000	393.29
6.57% Government Stock 05.12.2033 Bonds	-	-	-	-	-	-	100	700,000	67.37
Total Government Debt Securities (A)			13,679.23			14,406.88			14,564.10



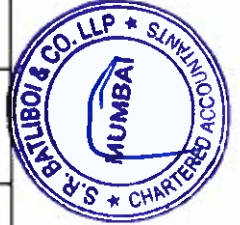
Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6 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
Debt Securities									
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	1,000	157	0.16	1,000	529	0.58	-	-	-
11.25% ECL Finance Limited 05.05.2025 NCD - Yrly	1,000,000	2	2.01	1,000,000	4	4.36	-	-	-
9.45% ECL Finance Limited 06.08.2021 Bonds	1,000	50	0.05	-	-	-	-	-	-
10.15% ECL Finance Limited 11.03.2020 NCD - Mth	1,000	389	0.40	-	-	-	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Mth	-	-	-	1,000	-	-	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Mth Cum	-	-	-	1,000	7	0.01	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yrly Cum	-	-	-	1,000	25	0.04	-	-	-
12.00% ECL Finance Limited 26.04.2020 NCD - Mth Cum	-	-	-	1,000	7	0.02	-	-	-
12.00% ECL Finance Limited 26.04.2020 NCD - Yrly	-	-	-	1,000	90	0.13	-	-	-
9.75% Edelweiss Retail Finance Limited Perpetual Bonds	-	-	-	1,000,000	1	0.94	-	-	-
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	-	-	-	1,000	1,000	1.00	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Mth Cum	-	-	-	-	-	-	1,000	54,016	83.36
10.00% ECL Finance Limited 11.03.2018 NCD - Mth	-	-	-	-	-	-	1,000	289	0.30
10.45% ECL Finance Limited 11.03.2018 NCD - Yrly	-	-	-	-	-	-	1,000	8,052	9.05
10.45% ECL Finance Limited 11.03.2018 NCD - Yrly Cum	-	-	-	-	-	-	1,000	2,085	2.54
10.60% ECL Finance Limited 11.03.2020 NCD - Yrly	-	-	-	-	-	-	1,000	315	0.35
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	-	-	-	-	-	-	1,000	5,458	5.77
10.60% ECL Finance Limited 11.03.2020 NCD - Yrly Cum	-	-	-	-	-	-	1,000	7,471	13.28
9.10% Dewan Housing Finance Corporation Limited 16.08.2019 NCD	1,000	476	0.50	1,000	426	0.60	-	-	-
9.60% Srei Equipment Finance Limited 25.05.2028 Bonds	1,000	117,853	119.98	-	-	-	-	-	-
8.95% Food Corporation Of India 01.03.2029 Bonds	1,000,000	2	2.20	-	-	-	-	-	-
8.20% Housing Development Finance Corporation Bank Limited 29.07.2021 Bonds	-	-	-	10,000,000	5	52.94	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 NCD	-	-	-	1,000	11,325	12.12	-	-	-
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD	-	-	-	13	20,481	0.27	-	-	-
8.01% Tata Sons Limited 02.09.2021 Bonds	-	-	-	1,000,000	100	100.00	-	-	-
7.11% Power Finance Corporation Limited 17.10.2025 Bonds	-	-	-	1,000	1,000	1.09	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	-	-	-	1,000	46,381	49.69	-	-	-
7.34% Indian Railway Finance Corporation Limited 19.02.2028 Bonds	-	-	-	1,000	173	0.19	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	1,000,000	1	1.04	-	-	-
8.71% Rural Electrification Corporation Limited 24.09.2028 Bonds	-	-	-	1,000	3,000	3.60	-	-	-
8.92% Power Finance Corporation Limited 16.11.2033 Bonds	-	-	-	1,000	3,586	4.54	-	-	-
11.40% The Tata Power Company Limited Perpetual 02.06.2099 NCD	-	-	-	1,000,000	13	14.38	-	-	-
9.37% IL&FS Transportation Networks Limited 29.10.2027 Bonds	-	-	-	1,000,000	1	0.99	-	-	-
8.80% Steel Authority Of India Limited 22.06.2019 Bonds	-	-	-	1,000,000	4	4.27	-	-	-
9.15% Dewan Housing Finance Corporation Limited 20.09.2019 NCD	-	-	-	1,000,000	8	8.09	-	-	-
9.80% Larsen And Toubro Infrastructure Finance Company Limited 16.01.2019 NCD	-	-	-	2,500,000	1	2.58	-	-	-
9.14% Kudgi Transmission Limited 25.04.2031 NCD	-	-	-	1,000,000	20	22.27	-	-	-
9.70% Mahindra & Mahindra Financial Services Limited 24.04.2023 NCD	-	-	-	1,000,000	2	2.29	-	-	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

6 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
Debt Securities (continued)									
8.63% Rural Electrification Corporation Limited 24.03.2029 NCD	-	-	-	1,000	1,000	1.22	-	-	-
7.60% Power Finance Corporation Limited 17.10.2035 NCD	-	-	-	70	70	0.08	-	-	-
10.70% Dewan Housing Finance Limited 10.06.2021 Bonds	-	-	-	1,000	1,000	2.27	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	1,000,000	1,000,000	52.96	-	-	-
8.45% Indiabulls Commercial Credit Limited 05.01.2028 Bonds	-	-	-	100,000	100,000	44.68	-	-	-
7.85% The Industrial Finance Corporation Limited 15.09.2020 NCD	-	-	-	-	-	-	-	-	-
8.00% Industrial Finance Corporation Limited 31.01.2021 Bonds	-	-	-	-	-	-	-	-	-
11.50% Tata Steel Limited Perpetual 11.05.2021 NCD	-	-	-	-	-	-	-	-	-
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD	-	-	-	-	-	-	-	-	-
8.20% National Highways Authority Of India 25.01.2022 Bonds	-	-	-	-	-	-	-	-	-
7.60% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	-	-	-	-	-	-
7.64% National Bank For Agriculture And Rural Development 23.03.2031 Bonds	-	-	-	-	-	-	-	-	-
8.62% Rural Electrification Corporation Limited 09.09.2033 Bonds	-	-	-	-	-	-	-	-	-
9.00% Mahindra And Mahindra Financial Services Limited 06.06.2026 Bonds	-	-	-	-	-	-	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 NCD	-	-	-	-	-	-	-	-	-
8.20% Housing Development Finance Corporation Bank Limited 29.07.2021 Bonds	-	-	-	-	-	-	-	-	-
9.10% Dewan Housing Finance Corporation Limited 16.08.2019 NCD	-	-	-	-	-	-	-	-	-
7.80% Housing Development Finance Corporation Limited 11.11.2019 Bonds	-	-	-	-	-	-	-	-	-
8.75% National Highways Authority Of India 05.02.2029 Bonds	-	-	-	-	-	-	-	-	-
7.65% Bajaj Finance Limited 21.10.2021 NCD	-	-	-	-	-	-	-	-	-
8.01% Tata Sons Limited 02.09.2021 Bonds	-	-	-	-	-	-	-	-	-
9.40% Reliance Home Finance Limited 03.01.2032 Bonds	-	-	-	-	-	-	-	-	-
8.90% Aditya Birla Finance Limited 20.11.2026	-	-	-	-	-	-	-	-	-
8.75% Muthoot Finance Limited 30.01.2019 Bonds	-	-	-	-	-	-	-	-	-
9.00% Mudboot Finance Limited 30.01.2020 Bonds	-	-	-	-	-	-	-	-	-
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	-	-	-	-	-	-
8.93% National Housing Bank 24.03.2029 Bonds	-	-	-	-	-	-	-	-	-
0% Srei Equipment Finance Limited 21.02.2018 NCD	-	-	-	-	-	-	-	-	-
7.28% National Highways Authority Of India 18.09.2030 NCD	-	-	-	-	-	-	-	-	-
Total Debt Securities (B)			125.30			389.24			450.27
Preference Shares									
6.00% Zee Entertainment Enterprises Limited 05.03.2022 Preference Shares Sr-I	-	-	-	8	3,000,000	24.32	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	-	-	-	10	419,512	4.44	-	-	-
Total Preference Shares (C)						28.76			-
Total (A+B+C)			13,804.53			14,824.88			15,014.37



Edelweiss Finance & Investments Limited
Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7. Receivables			
a) Trade receivables			
Receivables considered good - Unsecured (Refer note 3.A)	6,283.79	4,563.14	222.97
Trade Receivables (a)	6,283.79	4,563.14	222.97
b) Other receivables			
Receivables considered good - Unsecured	0.84	95.30	105.23
Other receivables (b)	0.84	95.30	105.23
Total Receivables (a) + (b)	6,284.63	4,658.44	328.20

c) Reconciliation of impairment allowance on trade and lease receivables:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	-	-
Add/ (less): asset originated or acquired (net)	-	-
Impairment allowance - Closing Balance	-	-

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	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default *	6,283.79	-	-	-	-	-	6,283.79
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	6,283.79	-	-	-	-	-	6,283.79

As at March 31, 2018	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default *	4,563.14	-	-	-	-	-	4,563.14
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	4,563.14	-	-	-	-	-	4,563.14

As at April 01, 2017	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default *	222.97	-	-	-	-	-	222.97
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	222.97	-	-	-	-	-	222.97

* Receivables includes receivables from clearing house and companies in same group. The Company has no history and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

8. Investments

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Investments									
Equity Instruments (Fully paid up)									
at Amortised Cost									
Subsidiary Companies									
EC Global Limited	-	-	-	-	-	-	USD I	25,000	0.44
Total									0.44
(i) Investments outside India									0.44
(ii) Investments in India									-
Total									0.44



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
9. Other financial assets			
Deposits placed with exchange/depositories	139.90	112.40	39.80
Deposits- others	1.07	0.82	0.98
Margin placed with broker (refer note 5.A)	303.47	41.51	16.18
Accrued interest on margin	0.28	0.69	0.14
Triparty Repo	3,900.00	-	-
Other assets	9.00	9.39	-
	4,353.72	164.81	57.10
10. Current tax assets (net)			
Advance income taxes	260.47	437.77	181.37
(Net of provision for tax Rs. 79.03 million as at March 31, 2019, Rs. 534.38 million as at March 31, 2018 and Rs. 1,310.06 million as at April 1, 2017)			
	260.47	437.77	181.37
11. Deferred tax assets (net)			
Deferred tax assets			
<u>Property, Plant and Equipment & Intangible assets</u>			
Difference between book and tax depreciation	2.07	2.38	-
<u>Investment and other financials instruments</u>			
Unrealised loss on Derivatives	89.78	6.31	1.80
Fair valuation of investments and securities held for trading - loss in valuation	-	2.26	-
<u>Fair valuation of employee stock option</u>	-	37.77	30.61
<u>MAT credit entitlement</u>	-	6.47	-
<u>Employee benefit obligations</u>			
Disallowances under section 43B of the Income Tax Act, 1961	0.48	37.26	30.80
<u>Others</u>	1.83	-	-
	94.16	92.45	63.21
Deferred tax liabilities			
<u>Property, Plant and Equipment & Intangible assets</u>			
Difference between book and tax depreciation	-	-	0.62
<u>Investment and other financials instruments</u>			
Fair valuation of investments and securities held for trading - gain in valuation	19.73	-	7.04
Unrealised Gain On Derivatives	0.40	10.92	15.46
	20.13	10.92	23.12
	74.03	81.53	40.09



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

12. Property, plant and equipment and Intangible assets

Particulars	Property, plant and equipment				Other Intangible Assets	
	Building	Vehicles	Office equipment	Computers	Computer Software	Total
Deemed cost*						
As at April 1, 2017	1.25	7.79	0.15	1.26	1.30	11.75
Additions	-	1.63	0.16	2.83	4.17	8.79
Disposals	-	(1.22)	(0.03)	(0.01)	-	(1.26)
as at March 31, 2018	1.25	8.20	0.28	4.08	5.47	19.28
Additions	-	-	-	0.71	7.29	8.00
Disposals	-	(0.87)	-	(0.16)	-	(1.03)
as at March 31, 2019	1.25	7.33	0.28	4.63	12.76	26.25
Depreciation and Impairment:						
As at April 1, 2017 *	-	-	-	-	-	-
Depreciation/Amortisation for the year	0.06	2.65	0.10	1.23	0.76	4.80
Disposals	-	-	(0.01)	-	-	(0.01)
as at March 31, 2018	0.06	2.65	0.09	1.23	0.76	4.79
Depreciation/Amortisation for the year	0.06	1.68	0.09	1.48	2.73	6.04
Disposals	-	(0.32)	-	(0.09)	-	(0.41)
as at March 31, 2019	0.12	4.01	0.18	2.62	3.49	10.42
Net Book Value						
As at April 01, 2017	1.25	7.79	0.15	1.26	1.30	11.75
As at March 31, 2018	1.19	5.55	0.19	2.85	4.71	14.49
As at March 31, 2019	1.13	3.32	0.10	2.01	9.27	15.83

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
13. Other non-financial assets			
(Unsecured considered good, unless stated otherwise)			
Input tax credit	22.42	11.67	1.59
Vendor Advances	3.70	1.32	-
Contribution to gratuity fund (net) (refer note 28)	1.50	1.47	0.98
Prepaid expenses	1.53	1.85	-
Advances to employees	1.88	-	-
	31.03	16.31	2.58
14. 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 (Refer note 5.A)	49.40	54.64	39.20
	49.40	54.64	39.20
14.A Details of dues to micro and small enterprises			
Trade Payables includes Rs.Nil (March 31, 2018: Rs.Nil; April 1, 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.			
15. Borrowings other than Debt Securities			
(At amortised cost)			
<u>Secured</u>			
Triparty Repo			
[Secured by pledge of Government securities and Treasury-bills]	18,062.90	-	-
[March 31, 2019; Repayable on April 02, 2019 Interest payable in range of 5.50% to 7.30%]			
Collateralised borrowing and lending obligation and Clearcorp repo order matching system	-	17,373.62	11,439.99
[Secured by pledge of Government securities and Treasury-bills]			
[March 31, 2018; Repayable on April 03, 2018 Interest payable in range of 4.40% to 7.10%]			
[March 31, 2017; Repayable on April 03, 2017 Interest payable in range of 4.00% to 7.70%]			
<u>Unsecured</u>			
Loan from related parties	5,052.27	196.08	2,635.10
(Refer note 36 on Related party transaction)			
(Repayable on demand, Interest payable in the range of 9.00% to 12.50% for March 31, 2019, 9% for March 31, 2018 and 9.00% to 12.00% for March 31, 2017)			
	23,115.17	17,569.70	14,075.09
Borrowings in India	23,115.17	17,569.70	14,075.09
Borrowings outside India	-	-	-
	23,115.17	17,569.70	14,075.09
16. Subordinated Liabilities			
(at Amortised Cost)			
<u>Unsecured</u>			
Preference Shares	516.59	516.59	516.59
	516.59	516.59	516.59
Subordinated liabilities in India	516.59	516.59	516.59
Subordinated liabilities outside India	-	-	-
	516.59	516.59	516.59

The Preference Shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The Preference Shares were allotted on July 19, 2013. The Preference Shares are Cumulative and Redeemable. The Preference Shares carry a Cumulative dividend of 14.625%. The Preference Shares will be redeemed at a premium of Rs. 5 per preference share over the Face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
17. Other financial liabilities			
Accrued salaries and benefits	20.00	39.07	47.58
Provision for dividend distribution tax	9.25	9.34	9.34
Unpaid dividends	3.31	0.39	0.39
Book overdraft	-	-	1.48
	32.56	48.80	58.79
18. Current tax liabilities (net)			
Provision for taxation (Net of advance tax Rs. 514.80 million as at March 31, 2019, Rs. 778.16 million as at March 31, 2018, Rs. 620.13 million as at April 1, 2017)	80.24	194.00	195.07
	80.24	194.00	195.07
19. Provisions			
Provision for employee benefits			
Compensated leave absences	1.45	1.10	0.67
Deferred bonus	-	105.52	151.65
Others	9.01	9.01	-
	10.46	115.63	152.32
20. Other non-financial liabilities			
Statutory liabilities*	3.71	14.92	24.45
Others	12.63	3.63	1.74
	16.34	18.55	26.19

* Includes withholding taxes, provident fund, profession tax and other statutory dues payables



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	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
21. Equity share capital						
Authorised :						
Equity Shares of Rs.10 each	41,620,000	416.20	41,620,000	416.20	3,000,000	30.00
Preference shares of Rs 10 each	31,380,000	313.80	31,380,000	313.80	70,000,000	700.00
	73,000,000	730.00	73,000,000	730.00	73,000,000	730.00
Issued, Subscribed and Paid up:						
Equity Shares of Rs.10 each	3,435,332	34.35	3,435,332	34.35	2,655,020	26.55
	3,435,332	34.35	3,435,332	34.35	2,655,020	26.55

21.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	3,435,332	34.35	2,655,020	26.55	2,655,020	26.55
Shares issued during the year (Refer note below)	-	-	780,312	7.80	-	-
Outstanding at the end of the year	3,435,332	34.35	3,435,332	34.35	2,655,020	26.55

Notes:

During the financial year 2017-18, the Company has issued 780,312 fully paid-up equity shares of Rs.10 each at a premium of Rs 502 each for the consideration of Rs.399.50 million to Edelweiss Financial Services Limited.

21.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.

21.C Shares held by holding/ultimate holding 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
Holding company						
Edelweiss Financial Services Limited #	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%
	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%

21.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
Holding company						
Edelweiss Financial Services Limited #	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%
	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%

including 6 shares held by nominees of Edelweiss Financial Services Limited

21.E There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

22. Other Equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a. Capital redemption reserve	9.71	9.71	9.71
b. Securities Premium Reserve	711.81	711.81	320.09
c. Statutory Reserve	921.04	921.04	878.58
d. General Reserve	90.26	90.26	90.26
e. Retained Earnings	65.36	106.67	14.73
f. Deemed capital contribution - Equity	15.18	15.18	10.95
	1,813.36	1,854.67	1,324.32

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. General Reserve

General reserve comprises of the Company's undistributed earnings which are transferred from the retained earnings.

e. Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

f. Deemed capital contribution - Equity

Deemed capital contribution - Equity relates to Share options granted to eligible employees of the company by the parent company under its employee share option plan.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

22. Other Equity

22. Other Equity (continued)

B. Movement in Other Equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. Capital redemption reserve			
Opening Balance	9.71	9.71	9.71
Add : Additions during the year	-	-	-
	<u>9.71</u>	<u>9.71</u>	<u>9.71</u>
II. Securities Premium Reserve			
Opening Balance	711.81	320.09	1,977.73
Less: Reduction on account of demerger (refer note 42.01)	-	-	(1,657.64)
Add : Premium received on issue of equity shares	-	391.72	-
	<u>711.81</u>	<u>711.81</u>	<u>320.09</u>
III. Statutory Reserve			
Opening Balance	921.04	878.58	719.96
Add : Reserve created for the year	-	42.46	158.62
	<u>921.04</u>	<u>921.04</u>	<u>878.58</u>
IV. General Reserve			
Opening Balance	90.26	90.26	90.26
Add : Addition during the year	-	-	-
	<u>90.26</u>	<u>90.26</u>	<u>90.26</u>
V. Retained Earnings			
Opening Balance	106.67	14.73	319.86
Add: (Loss) / profit for the year	(3.64)	126.93	793.11
Add: Other Comprehensive Income	0.10	0.31	-
Less / Add : Income tax effect of ESOPs	(37.77)	7.16	30.61
Less: Profit transferred of demerged divisions (Refer note 42.01)	-	-	(272.08)
Add / Less: Impact on First time Adoption of Ind AS	-	-	28.14
Amount available for appropriation (a)	<u>65.36</u>	<u>149.13</u>	<u>899.64</u>
Appropriations:			
Interim dividend on equity shares	-	-	(557.55)
Dividend distribution tax	-	-	(122.85)
Transfer to Special Reserve	-	(42.46)	(158.62)
Proposed dividend on preference shares	-	-	(45.89)
Appropriations (b)	<u>-</u>	<u>(42.46)</u>	<u>(884.91)</u>
Total V - (a - b)	<u>65.36</u>	<u>106.67</u>	<u>14.73</u>
VI. Deemed capital contribution - Equity			
Opening Balance	15.18	10.95	-
Add : ESOPs charged during the year	-	4.23	10.95
	<u>15.18</u>	<u>15.18</u>	<u>10.95</u>
Total = (I+II+III+IV+V+VI)	<u>1,813.36</u>	<u>1,854.67</u>	<u>1,324.32</u>



Edelweiss Finance & Investments Limited**Notes to financial statements (continued)**

(Currency : Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
23. Interest Income		
On Financial assets measured at fair value through profit or loss		
Interest income from debt securities held for trading	1,400.65	1,573.87
On Financial assets measured at amortised cost		
Interest income on fixed deposits with Bank	3.45	3.40
Interest income on collateralised borrowing and lending operations	2.39	2.98
Other interest income		
- On margin with brokers	2.18	3.61
- On others	1.99	6.83
	1,410.66	1,590.69
24. Dividend Income		
Dividend on securities held for trading	1.44	0.72
	1.44	0.72
25. Other income		
Profit on sale of property, plant and equipment (net)	0.21	-
Interest on income tax refund	12.28	-
	12.49	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

26. Finance costs

On Financial Liabilities measured at Amortised Cost

Interest on borrowings

- Interest on collateralised borrowing and lending operations	79.31	337.01
- Interest on clearcorp repo order matching system	943.34	705.19
- Interest on loan from fellow subsidiaries	79.19	222.13
- Interest on bank overdraft	0.57	0.54

Interest on subordinated liabilities

- Dividend on preference shares	55.24	55.24

Other interest expense

- Finance and bank charges	4.47	3.94
- Collateralised borrowing and lending charges	42.34	29.48

	1204.46	1353.53

27. Net gain on fair value changes (including treasury income)

Net gain/ (loss) on financial instruments at fair value through profit or loss

On securities held for trading	(18.60)	289.06
On derivative financial instrument	77.36	(175.59)

Profit on sale of investment held at cost

-	(25.60)

58.76	87.87

Fair value changes

Realised	(117.45)	50.79
Unrealised	176.21	37.08

58.76	87.87

28. Employee benefits expense

Salaries, wages and bonus (refer note 29.D)	25.18	120.12
Contribution to provident and other funds	3.54	5.39
Expense on Employee Stock Option Scheme (ESOP) - Refer Note below	5.47	4.23
Staff welfare expenses	1.58	2.55

35.77	132.29

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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

28 Employee benefits expense (continued)

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.

Amount of Rs. 3.38 million (previous year: Rs. 3.33 million) is recognised as expenses and included in "Employee benefits expense".

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 plan assets and 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.

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:

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2019	March 31, 2018	April 01, 2017
Present Value of DBO at Start of the year	7.48	6.45	8.37
<i>Service Cost</i>			-
a. Current Service Cost	1.11	1.10	1.41
b. Past Service Cost	-	1.23	-
c. Loss/(Gain) from Settlement	-	-	-
Interest Cost	0.49	0.37	0.46
Benefits Paid	(0.21)	(0.24)	(0.96)
<i>Re-measurements</i>			
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	0.13	(0.21)	0.16
c. Actuarial Loss/(Gain) from experience over last past year	(0.27)	(0.14)	(0.85)
Effect of acquisition / (divestiture)	-	-	-
Changes in foreign exchange rate	-	-	-
Transfer In / (Out)	(0.82)	(1.08)	(2.14)
Present Value of DBO at end of the year	7.91	7.48	6.45

Reconciliation of Fair Value of Plan Assets

	March 31, 2019	March 31, 2018	April 01, 2017
Fair Value of Plan Assets at start of the year	8.95	8.49	8.38
<i>Contributions by Employer</i>	<i>0.01</i>	<i>-</i>	<i>-</i>
Benefits Paid	(0.21)	(0.24)	(0.96)
Interest Income Plan Assets	0.64	0.57	0.56
<i>Re-measurements</i>	<i>-</i>	<i>-</i>	<i>-</i>
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	0.02	0.13	0.50
Effect of acquisition / (divestiture)	-	-	-
Changes in foreign exchange rate	-	-	-
Fair Value of Plan Assets at end of the year	9.41	8.95	8.49
<i>Actual Return on Plan Assets</i>	<i>0.66</i>	<i>0.70</i>	<i>1.06</i>
<i>Expected Employer Contributions for the coming year</i>	<i>-</i>	<i>-</i>	<i>-</i>



28 Employee benefits expense (continued)

Expenses recognised in the Profit and Loss Account

	March 31, 2019	March 31, 2018
Service Cost		
a. Current Service Cost	1.11	1.10
b. Past Service Cost	-	1.23
c. Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	(0.16)	(0.20)
Changes in foreign exchange rate	-	-
Employer Expenses	0.96	2.13

Net Liability / (Asset) recognised in the Balance sheet

	March 31, 2019	March 31, 2018	April 01, 2017
Present Value of DOB	7.91	7.48	6.45
Fair Value of Plan Assets	9.41	8.95	8.49
Liability / (Asset) recognised in the Balance Sheet	(1.50)	(1.47)	(2.03)
Funded Status [Surplus/ (Deficit)] *	1.50	1.47	2.03
Of which, Short term Liability	-	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(0.27)	(0.14)	(0.85)

* Surplus of Rs. 1.05 million transferred on account of demerger (refer note 42.01) and balance Rs. 0.98 million is appearing in other non financial asset as at April 1, 2017 (refer note 13).

Percentage Break-down of Total Plan Assets

	March 31, 2019	March 31, 2018	April 01, 2017
Equity instruments	-	-	-
Debt instruments	-	-	-
Real estate	-	-	-
Derivatives	-	-	-
Investment Funds with Insurance Company	99.9%	99.9%	99.9%
Of which, Unit Linked	99.9%	99.9%	99.9%
Of which, Traditional/ Non-Unit Linked	-	-	-
Asset-backed securities	-	-	-
Structured debt	-	-	-
Cash and cash equivalents	0.1%	0.1%	0.1%
Total	100%	100%	100%

Actuarial assumptions:

	March 31, 2019	March 31, 2018	April 01, 2017
Salary Growth Rate (% p.a)	7% p.a	7% p.a	7% p.a
Discount Rate (% p.a)	7% p.a	7.3% p.a	6.8% p.a
Withdrawal Rate (% p.a)			
Senior	13% p.a	13% p.a	13% p.a
Middle	18% p.a	18% p.a	18% p.a
Junior	25% p.a	25% p.a	25% p.a
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	7.3% p.a	6.8% p.a	7.4% p.a
Expected weighted average remaining working life (years)	5 Years	5 Years	5 Years



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

28 Employee benefits expense (continued)

Movement in Other Comprehensive Income

	March 31, 2019	March 31, 2018
Balance at start of year (Loss)/ Gain	NIL	NIL
<i>Re-measurements on DBO</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	(0.13)	0.21
c. Actuarial Loss/(Gain) from experience over last past year	0.27	0.14
<i>Re-measurements on Plan Assets</i>	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	0.02	0.13
Balance at end of year (Loss)/ Gain	0.16	0.48

Sensitivity Analysis

DOB increases / (decreases) by	March 31, 2019	March 31, 2018	April 01, 2017
1 % Increase in Salary Growth Rate	0.39	0.37	0.29
1 % Decrease in Salary Growth Rate	(0.36)	(0.34)	(0.27)
1 % Increase in Discount Rate	(0.36)	(0.34)	(0.27)
1 % Decrease in Discount Rate	0.39	0.37	0.30
1 % Increase in Withdrawal Rate	(0.03)	(0.03)	(0.07)
1 % Decrease in Withdrawal Rate	0.03	0.03	0.07
Mortality (Increase in expected lifetime by 1 year)	Negligible Change	Negligible Change	Negligible Change
Mortality (Increase in expected lifetime by 3 year)	Negligible Change	Negligible Change	Negligible Change

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses

Movement in Surplus / (Deficit)

	March 31, 2019	March 31, 2018	April 01, 2017
Surplus / (Deficit) at start of year	1.47	0.98	0.01
Net (Acquisition) / Divestiture	-	-	-
Net Transfer (In)/ Out	0.82	1.08	2.14
<i>Movement during the year</i>	-	-	-
Current Service Cost	(1.11)	(1.10)	(1.41)
Past Service Cost	-	(1.23)	-
Net Interest on net DBO	0.16	0.20	0.10
Changes in foreign exchange rate	-	-	-
Re-measurements	0.16	0.48	1.19
Contributions / Benefits	0.01	-	-
Impact of demerger *	-	1.05	(1.05)
Surplus / (Deficit) at end of year	1.50	1.47	0.98

* Surplus of Rs. 1.05 million transferred on account of demerger (refer note 42.01)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	For the year ended March 31, 2019	for the year ended March 31, 2018
29. Other expenses		
Advertisement and business promotion	0.15	0.14
Auditors' remuneration (refer note 29.A)	1.77	2.02
Commission and brokerage	0.22	0.47
Communication	1.57	1.85
Directors' sitting fees	0.46	0.50
Insurance	0.09	0.08
Legal and professional fees	5.83	35.27
Printing and stationery	0.26	0.18
Rates and taxes	8.63	7.50
Rent (refer note 29.C and 29.D)	9.09	12.35
Repairs and maintenance (refer note 29.D)	0.06	0.17
Electricity charges (refer note 29.D)	0.93	1.31
Foreign exchange loss (net)	0.01	-
Computer expenses	0.57	0.25
Computer software	6.09	1.79
Corporate social responsibility (refer note 29.B)	5.00	4.02
Clearing & custodian charges	0.24	1.23
Dematerialisation charges	-	0.07
Rating support fees	0.13	0.26
Membership and subscription	0.09	-
Office expenses	17.46	0.03
Securities transaction tax	-	0.05
Seminar & Conference	0.02	0.03
Stamp duty	2.41	3.07
Stock exchange expenses	-	0.26
Travelling and conveyance	5.63	5.89
Miscellaneous expenses	6.88	0.31
Housekeeping and security charges (refer note 29.D)	0.29	-
	73.88	79.12

29.A Auditors' remuneration:

As a Auditor

Audit fees	1.70	1.95
Reimbursement of expenses	0.07	0.07
	1.77	2.02

29.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.

	14.99	19.50
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	5.00	4.02
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	5.00	4.02
Amount paid to EdelGive Foundation (refer note 36 related party disclosure)	5.00	4.02
Paid to external parties	-	-
	5.00	4.02

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.

29.C Operating leases

The Company has taken premises on operating lease. Rental expenses for the year aggregated to Rs.9.09 million (Previous year Rs.12.35 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

29.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group mediclaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies (if any) are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 28 and 29 include reimbursements paid and are net of the reimbursements received based on the management's best estimate are Rs. 11.86 million (previous year Rs. 14.37 million)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

30. Income Tax

30.A Component of Income Tax Expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax	79.47	6.47
Adjustment in respect of current income tax of Prior years	6.64	(165.16)
Deferred tax relating to temporary differences	(36.79)	(27.97)
MAT Credit entitlement	-	(6.47)
Total Tax Charge for the year	49.32	(193.13)
Current Tax (Refer Note 30.B)	86.11	(158.69)
Deferred Tax (Refer Note 30.C)	(36.79)	(34.44)

30.B Reconciliation of total tax charge

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) before Taxes	45.68	(66.20)
Statutory Income Tax rate	34.94%	34.61%
Tax Charge at Statutory Rate	15.96	-
Adjustment in respect of current income tax of prior year	6.64	(165.16)
MAT tax payable	-	6.47
Tax effect of :		
Income / Items not subject to tax to chargeable to lower tax rate		
Dividend Income	(0.50)	(0.25)
Loss on sale of shares	-	(8.86)
Non deductible expenses		
Dividend on Preference shares	19.30	19.12
Interest on shortfall of advance tax	0.08	(0.34)
Donation expense	0.87	1.39
Recognition of available Minimum Alternate Tax credit	-	(6.47)
Others	6.97	(39.03)
Total Tax Expenses Reported in Statement of Profit and Loss	49.32	(193.13)
Effective Income Tax Rate	107.96%	291.75%



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

30.C Movement of Deferred Tax assets

Financial Year 2018-19

Movement for the period (2018-19)

	As on March 31, 2018	Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Others	Total movement	As on March 31, 2019
Deferred tax assets							
Property, Plant and Equipment & Intangible assets	2.38	(0.31)	-	-	-	(0.31)	2.07
Unrealised loss on Derivatives	6.31	83.47	-	-	-	83.47	89.78
ESOP cost	37.77	-	-	(37.77)	-	(37.77)	-
MAT credit entitlement	6.47	-	-	-	(6.47)	(6.47)	-
Employee benefits obligations	37.26	(36.72)	(0.06)	-	-	(36.78)	0.48
Others	-	1.83	-	-	-	1.83	1.83
Deferred tax liabilities							
Fair valuation of investments and securities held for trading - gain in valuation	2.26	(21.99)	-	-	-	(21.99)	(19.73)
Unrealised Gain On Derivatives	(10.92)	10.52	-	-	-	10.52	(0.40)
Deferred tax assets (net)	81.53	36.79	(0.06)	(37.77)	(6.47)	(7.50)	74.03

Financial Year 2017-18

Movement for the period (2017-18)

	As on April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Others	Total movement	As on March 31, 2018
Deferred tax assets							
Property, Plant and Equipment & Intangible assets	(0.62)	3.00	-	-	-	3.00	2.38
Unrealised loss on Derivatives	1.80	4.51	-	-	-	4.51	6.31
Fair valuation of investments and securities held for trading - loss in valuation	(7.04)	9.30	-	-	-	9.30	2.26
ESOP cost	30.61	-	-	7.16	-	7.16	37.77
MAT credit entitlement	-	6.47	-	-	-	6.47	6.47
Employee benefits obligations	30.80	6.63	(0.17)	-	-	6.46	37.26
Others	-	-	-	-	-	-	-
Deferred tax liabilities							
Unrealised Gain On Derivatives	(15.46)	4.54	-	-	-	4.54	(10.92)
Deferred tax assets (net)	40.09	34.44	(0.17)	7.16	-	41.44	81.53



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

31. 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 period.

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 (loss) / profit attributable to Equity holders of the Company	(A)	(3.64)	126.93
Weighted average Number of Shares			
- Number of equity shares outstanding at the beginning of the year		3,435,332	2,655,020
- Number of equity shares issued during the year		-	780,312
Total number of equity shares outstanding at the end of the year		3,435,332	3,435,332
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	3,435,332	3,056,801
Basic and diluted earnings per share (in rupees)	(A / B)	(1.06)	41.52

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

32. Contingent Liability & Commitment:

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.

32.1 Contingent Liability

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Taxation matters related to income tax for Assessment year 2009-10 and Assessment year 2013-14 in respect of which appeal is pending	0.60	0.60	0.60
Taxation matters related to service tax for the period from April 1, 2011 to March 31, 2016 in respect of which appeal is pending	3.08	-	-

32.2 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"

32.3 Commitment

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Uncalled liabilities on non-current investments	-	-	-
b) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	3.98	0.06

33. Segment Reporting

The Company's main business is trading and dealing in Government securities ("G-Sec") and fixed income securities. All other activities revolve around the main business. Further, all activities are carried out in India. As such, there are no separate reportable segments as per the pronouncements of Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

34. Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at March 31, 2018	Cash Flows	Changes in Fair value	Others (net) *	As at March 31, 2019
Borrowings other than Debt Securities	17,569.70	5,566.33	-	(20.86)	23115.17
Subordinated Liabilities	516.59	-	-	-	516.59
	18086.29	5566.33	-	(20.86)	23631.76

Particulars	As at April 01, 2017	Cash Flows	Changes in Fair value	Others (net) *	As at March 31, 2018
Borrowings other than Debt Securities	14,075.09	3,467.71	-	26.90	17,569.70
Subordinated Liabilities	516.59	-	-	-	516.59
	14,591.68	3,467.71	-	26.90	18,086.29

* Other column includes the effect of accrued but not paid interest on borrowing



Edelweiss Finance & Investments Limited
Notes to financial statements (continued)
(Currency : Indian rupees in million)

35. 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, 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
Financial Assets									
Cash and cash equivalents	1,050.24	-	1,050.24	152.96	-	152.96	743.24	-	743.24
Bank balances other than cash and cash equivalents	53.33	-	53.33	50.02	-	50.02	50.00	-	50.00
Derivative financial instruments	1.01	-	1.01	26.44	-	26.44	-	-	-
Securities held for trading	13,804.53	-	13,804.53	14,824.88	-	14,824.88	15,014.37	-	15,014.37
Trade receivables	6,283.79	-	6,283.79	4,563.14	-	4,563.14	222.97	-	222.97
Other receivables	0.84	-	0.84	95.30	-	95.30	105.23	-	105.23
Investments	-	-	-	-	-	-	-	0.44	0.44
Other financial assets	4,203.75	149.97	4,353.72	42.20	122.61	164.81	16.32	40.78	57.10
Non-financial assets									
Current tax assets (net)	-	260.47	260.47	-	437.77	437.77	-	181.37	181.37
Deferred tax assets (net)	-	74.03	74.03	-	81.53	81.53	-	40.09	40.09
Property, Plant and Equipment	-	6.56	6.56	-	9.78	9.78	-	10.45	10.45
Other Intangible assets	-	9.27	9.27	-	4.71	4.71	-	1.30	1.30
Other non-financial assets	31.03	-	31.03	16.31	-	16.31	2.58	-	2.58
Total Assets	25,428.52	500.30	25,928.82	19,771.25	656.40	20,427.65	16,154.71	274.43	16,429.14
Financial Liabilities									
Derivative financial instruments	260.35	-	260.35	20.72	-	20.72	15.02	-	15.02
Trade payables	49.40	-	49.40	54.64	-	54.64	39.20	-	39.20
Borrowings (other than debt securities)	23,115.17	-	23,115.17	17,569.70	-	17,569.70	14,075.09	-	14,075.09
Subordinated Liabilities	45.89	470.70	516.59	45.89	470.70	516.59	45.89	470.70	516.59
Other financial liabilities	32.56	-	32.56	48.80	-	48.80	58.79	-	58.79
Non-financial liabilities									
Current tax liabilities (net)	80.24	-	80.24	-	194.00	194.00	-	195.07	195.07
Provisions	1.21	9.25	10.46	71.68	43.95	115.63	108.65	43.67	152.32
Other non-financial liabilities	12.90	3.44	16.34	14.96	3.59	18.55	22.60	3.59	26.19
Total Liabilities	23,597.72	483.39	24,081.11	17,826.39	712.24	18,538.63	14,365.24	713.03	15,078.27
Net Assets	1,830.80	16.91	1,847.71	1,944.86	(55.84)	1,889.02	1,789.47	(438.60)	1,350.87



Edelweiss Finance & Investments Limited
Notes to the financial statements (Continued)
(Currency: Indian Rupees in millions)

36 Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures"

List of related parties and relationship:	
Relationship	Name of related parties
Holding Company	Edelweiss Financial Services Limited
Fellow Subsidiaries	ECL Finance Limited ECap Equities Limited Edel Land Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Housing Finance Limited Edelweiss Retail Finance Limited EdelGive Foundation Edelweiss Capital Markets Limited Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) Edelweiss Custodial Services Limited Edelweiss Finvest Private Limited Edelweiss Business Services Limited (Merged with Edelweiss Rural & Corporate Services Limited) Edelweiss Tokio Life Insurance Company Limited EFSL Trading Limited EFSL Comtrade Limited EFSL Commodities Limited ~~Edelweiss General Insurance Limited~~ Edel Investments Limited EC International Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Reconstruction Company Limited Auris Corporate Centre Limited Burlington Business Solutions Limited
Key Management Personnel	Venkatchalam Ramaswamy
Non executive director	P.N. Venkatachalam Vinod Juneja

Note: The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.

ii. Transactions with related parties :

Nature of Transactions	Related Party Name	March 31, 2019	31 March 2018
A. Capital account transactions			
Sale of equity shares	EC International Limited	-	26.04
Preference Shares transferred on demerger	Edelweiss Finvest Private Limited	-	490.58
B Current account transactions			
Loans taken from (refer note 1 below)	Edelweiss Finvest Private Limited	-	648.84
	Edelweiss Rural & Corporate Services Limited	3,362.96	19,252.30
	ECap Equities Limited	4,566.00	-
Loan repaid to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	-	19,516.51
	Edelweiss Finvest Private Limited	-	648.84
Loans given to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	3,051.92	-
C Secondary market transactions			
Purchases of securities held for trading from	ECL Finance Limited	2,625.64	5,915.17
	Edelweiss Rural & Corporate Services Limited	1,132.24	4,262.38
	ECap Equities Limited	-	428.46
	Edelweiss Tokio Life Insurance Company Limited	-	196.48
	Edelweiss Finvest Private Limited	102.42	668.81
Sale of securities held for trading to	ECL Finance Limited	2,448.82	8,549.20
	Edelweiss Rural & Corporate Services Limited	249.79	657.19
	Edelweiss Securities Limited	166.49	753.66
	Edelweiss Tokio Life Insurance Company Limited	86.19	50.45
	ECap Equities Limited	-	0.26
	Edelweiss Finvest Private Limited	-	480.15
	Edelweiss Broking Limited	-	112.67
	Edelweiss General Insurance Limited	99.91	237.59
	Edelweiss Retail Finance Limited	315.46	-
Margin placed with (refer note 1 below)	Edelweiss Securities Limited	0.37	-
	Edel Investments Limited	0.07	0.67
	Edelweiss Custodial Services Limited	3.22	51.92



Edelweiss Finance & Investments Limited
Notes to the financial statements (Continued)
(Currency: Indian Rupees in millions)

36 Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures" (continued)

Margin refund received from (refer note 1 below)	Edelweiss Securities Limited	0.60	0.97
	Edel Investments Limited	-	57.31
	Edelweiss Custodial Services Limited	24.93	0.67
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	-	209.19
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	-	320.31
D Other transactions			
Interest Expense on loan taken from	Ecap Equities Limited	4.69	-
	Edelweiss Rural & Corporate Services Limited	46.95	102.15
	Edelweiss Finvest Private Limited	27.55	119.97
Interest received on debt instruments from	ECL Finance Limited	0.37	5.41
	Edelweiss Housing Finance Limited	0.02	-
	Edelweiss Retail Finance Limited	26.70	-
Interest received on margin placed with brokers	Edelweiss Securities Limited	0.01	0.02
	Edelweiss Custodial Services Limited	2.66	3.49
Reimbursement paid to	Edelweiss Rural & Corporate Services Limited	-	1.13
Cost reimbursement paid to	Edelweiss Financial Services Limited	1.76	0.62
	Edelweiss Rural & Corporate Services Limited	7.73	12.97
	Edelweiss Business Services Limited	27.43	26.32
	Edelweiss Broking Limited	2.13	0.46
	Edelweiss Custodial Services Limited	0.12	-
	ECL Finance Limited	0.03	0.01
	Ecap Equities Limited	0.22	0.18
	Auris Corporate Centre Limited	-	0.01
	Burlington Business Solutions Limited	-	0.12
Corporate Guarantee support fee	Edelweiss Financial Services Limited	4.38	2.55
Rating support fees paid to	Edelweiss Financial Services Limited	0.12	0.26
Clearing charges and Stamp duty paid to	^ Edelweiss Securities Limited	0.00	0.18
Commission and brokerage paid to	^ Edelweiss Securities Limited	0.00	0.02
Donation given to	EdelGive Foundation	5.00	4.02
Remuneration payable to executive director (refer note 2 below)	Venkatchalam Ramaswamy	9.40	58.88
Sitting fees paid to non executive director	P.N. Venkatachalam	0.32	0.26
	Vinod Juneja	0.14	0.24
E Balances with related parties			
Liabilities			
Corporate guarantee taken from	Edelweiss Financial Services Limited	916.77	1,243.54
Interest expenses accrued and due on borrowings	Edelweiss Finvest Private Limited	-	26.91
Trade payables to	Edelweiss Financial Services Limited	5.09	3.16
	^ Edelweiss Securities Limited	0.00	-
	Edelweiss Rural & Corporate Services Limited	3.31	3.82
	Edelweiss Business Services Limited	11.63	15.01
	Edelweiss Broking Limited	-	0.50
	Ecap Equities Limited	0.07	-
	Edelweiss Alternative Asset Advisors Limited	-	5.32
	Edelweiss Finvest Private Limited	-	0.53
	Edel Investments Limited	0.72	0.11
	EFSL Commodities Limited	-	0.01
	Edel Land Limited	0.38	-
	ECL Finance Limited	0.23	-
	Edelweiss Asset Reconstruction Company Limited	-	0.01
Unsecured loan taken from	Ecap Equities Limited	4,566.00	-
	Edelweiss Rural & Corporate Services Limited	480.22	169.17
Investments			
Securities held for trading - Debentures of	ECL Finance Limited	2.41	4.45
	Edelweiss Housing Finance Limited	0.15	0.55
	Edelweiss Retail Finance Limited	-	1.98
Payable to Broker	Edelweiss Securities Limited	0.08	-



Edelweiss Finance & Investments Limited
Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

36 Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures" (continued)

Assets			
Accrued interest income on debentures of	ECL Finance Limited	0.05	0.14
	Edelweiss Retail Finance Limited	-	0.03
	Edelweiss Housing Finance Limited	0.01	0.04
Trade Receivables	^ ECL Finance Limited	0.00	-
	Edelweiss Securities Limited	0.36	89.67
	Edelweiss Rural & Corporate Services Limited	0.02	-
	Edel Land Limited	-	5.47
	Edelweiss Custodial Services Limited	0.15	0.16
	^ EFSL Trading Limited	0.00	-
	Edelweiss Capital Markets Limited	0.14	-
	^ EFSL Comtrade Limited	0.00	-
Other current assets			
Margin Placed with Brokers	Edelweiss Securities Limited	-	4.68
	Edelweiss Custodial Services Limited	93.93	22.23
	Edel Investments Limited	0.07	-
^ - less than Rs. 0.01 million			

Notes:

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.

Note 2 : Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

37. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements 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 31 March 2017
Capital Funds			
Net owned funds (Tier I capital)	1,762.88	1,800.92	1,309.46
Tier II capital	470.70	470.70	470.70
Total capital	2,233.58	2,271.62	1,780.16
Total risk weighted assets/ exposures	7,092.27	5,399.27	873.05
% of capital funds to risk weighted assets/exposures:			
Tier I capital	24.86%	33.35%	149.99%
Tier II capital	6.64%	8.72%	53.91%
Total capital Funds	31.50%	42.07%	203.90%

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 Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

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 2.11 for more details on fair value hierarchy

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.

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	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	0.18	-	-	0.18
OTC derivatives	-	1.01	-	1.01
Total derivative financial instruments - A	0.18	1.01	-	1.19
Financial Assets held for trading				
Government debt securities	13,679.23	-	-	13,679.23
Other debt securities	-	125.30	-	125.30
Total Financial assets held for trading - B	13,679.23	125.30	-	13,804.53
Total Financial assets measured at fair value (A+B)	13,679.41	126.31	-	13,805.72
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	9.69	-	-	9.69
OTC derivatives	-	260.35	-	260.35
Total derivative financial instruments	9.69	260.35	-	270.04
Total Financial liabilities measured at fair value	9.69	260.35	-	270.04



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	3.29	-	-	3.29
OTC derivatives	-	26.44	-	26.44
Total derivative financial instruments - A	3.29	26.44	-	29.73
Financial Assets held for trading				
Government debt securities	14,406.88	-	-	14,406.88
Other debt securities	-	389.24	-	389.24
Preference Shares	28.76	-	-	28.76
Total Financial assets held for trading - B	14,435.64	389.24	-	14,824.88
Total Financial assets measured at fair value (A+B)	14,438.93	415.68	-	14,854.61
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	20.72	-	20.72
Total derivative financial instruments - A	-	20.72	-	20.72
Total Financial liabilities measured at fair value	-	20.72	-	20.72

As at April 01, 2017	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Total derivative financial instruments - A	-	-	-	-
Financial Assets held for trading				
Government debt securities	14,564.10	-	-	14,564.10
Other debt securities	-	450.27	-	450.27
Preference Shares	-	-	-	-
Total Financial assets held for trading - B	14,564.10	450.27	-	15,014.37
Total Financial assets measured at fair value (A+B)	14,564.10	450.27	-	15,014.37
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	15.02	-	15.02
Total derivative financial instruments	-	15.02	-	15.02
Total Financial liabilities measured at fair value	-	15.02	-	15.02

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Debt securities:

Whilst most of these instruments are standard fixed rate securities, fair value of these instruments 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.

Equity instruments 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. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. The fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. The Company classify the Interest rate swaps as level 2 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, 2018 and March 31, 2018.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

F. 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
Financial Assets					
Cash and cash equivalents	1,050.24	1,050.24	-	-	1,050.24
Bank balances other than cash and cash equivalents	53.33	53.33	-	-	53.33
Trade Receivables	6,283.79	-	6,283.79	-	6,283.79
Other Receivables	0.84	-	0.84	-	0.84
Other financial assets	4,353.72	-	4,353.72	-	4,353.72
Total Financial Assets	11,741.92	1,103.57	10,638.35	-	11,741.92
Financial Liabilities					
Trade payables	49.40	-	49.40	-	49.40
Borrowings (other than debt securities)	23,115.17	-	23,115.17	-	23,115.17
Subordinated Liabilities	516.59	-	516.59	-	516.59
Other financial liabilities	32.56	-	32.56	-	32.56
Total Financial Liabilities	23,713.72	-	23,713.72	-	23,713.72

As at March 31, 2018	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	152.96	152.96	-	-	152.96
Bank balances other than cash and cash equivalents	50.02	50.02	-	-	50.02
Trade Receivables	4,563.14	-	4,563.14	-	4,563.14
Other Receivables	95.30	-	95.30	-	95.30
Other financial assets	32.56	-	32.56	-	32.56
Total Financial Assets	4,893.98	202.98	4,691.00	-	4,893.98
Financial Liabilities					
Trade payables	54.64	-	54.64	-	54.64
Borrowings (other than debt securities)	17,569.70	-	17,569.70	-	17,569.70
Subordinated Liabilities	516.59	-	516.59	-	516.59
Other financial liabilities	48.80	-	48.80	-	48.80
Total Financial Liabilities	18,189.73	-	18,189.73	-	18,189.73



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

As at April 01, 2017	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	743.24	743.24	-	-	743.24
Bank balances other than cash and cash equivalents	50.00	50.00	-	-	50.00
Trade Receivables	222.97	-	222.97	-	222.97
Other Receivables	105.23	-	105.23	-	105.23
Other financial assets	57.10	-	57.10	-	57.10
Total Financial Assets	1,178.54	793.24	385.30	-	1,178.54
Financial Liabilities					
Trade payables	39.20	-	39.20	-	39.20
Borrowings (other than debt securities)	14,075.09	-	14,075.09	-	14,075.09
Subordinated Liabilities	516.59	-	516.59	-	516.59
Other financial liabilities	58.79	-	58.79	-	58.79
Total Financial Liabilities	14,689.67	-	14,689.67	-	14,689.67

G 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: bank balances other than cash and cash equivalents, trade and other receivables, other financial assets, trade payables and contract liability without a specific maturity, borrowings (other than debt securities), subordinated liabilities, other financial liabilities. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management

39.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.

39.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 Company 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 Company 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.

39.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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39.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
39.D.1	Credit risk 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.
39.D.2	Liquidity risk 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
39.D.3	Market risk 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

39.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.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39.D.1 Credit Risk (continued)

Analysis of 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

As at March 31, 2019

Particulars	Central & State Government	Financial Services	Agriculture	Industry	Real Estate	Service Sector	Others	Total
Financial Assets								
Cash and cash equivalents	-	1,050.24	-	-	-	-	-	1,050.24
Bank balances other than cash and cash equivalents	-	53.33	-	-	-	-	-	53.33
Derivative financial instruments	-	1.01	-	-	-	-	-	1.01
Securities held for trading	13,679.23	125.30	-	-	-	-	-	13,804.53
Trade receivables	-	6,283.79	-	-	-	-	-	6,283.79
Other receivables	-	0.77	-	-	-	0.07	-	0.84
Other financial assets	-	4,343.65	-	-	-	-	10.07	4,353.72
Total Assets	13,679.23	11,858.09	-	-	-	0.07	10.07	25,547.46

As at March 31, 2018

Particulars	Central & State Government	Financial Services	Agriculture	Industry	Real Estate	Service Sector	Others	Total
Financial Assets								
Cash and cash equivalents	-	152.96	-	-	-	-	-	152.96
Bank balances other than cash and cash equivalents	-	50.02	-	-	-	-	-	50.02
Derivative financial instruments	-	26.44	-	-	-	-	-	26.44
Securities held for trading	14,406.88	343.50	-	48.96	-	25.54	-	14,824.88
Trade receivables	-	-	-	-	-	-	4,563.14	4,563.14
Other receivables	-	89.83	-	-	-	-	5.47	95.30
Other financial assets	-	154.60	-	-	-	-	10.21	164.81
Total Assets	14,406.88	817.35	-	48.96	-	25.54	4,578.82	19,877.55

As at April 1, 2017

Particulars	Central & State Government	Financial Services	Agriculture	Industry	Real Estate	Service Sector	Others	Total
Financial Assets								
Cash and cash equivalents	-	743.24	-	-	-	-	-	743.24
Bank balances other than cash and cash equivalents	-	50.00	-	-	-	-	-	50.00
Securities held for trading	14,564.10	415.06	-	2.62	-	32.59	-	15,014.37
Trade receivables	-	-	-	-	-	-	222.97	222.97
Other receivables	-	105.23	-	-	-	-	-	105.23
Investments	-	0.44	-	-	-	-	-	0.44
Other financial assets	-	56.12	-	-	-	-	0.98	57.10
Total Assets	14,564.10	1,370.09	-	2.62	-	32.59	223.95	16,193.35



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39.D.1 Credit Risk (continued)

Collateral held 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 01, 2017	
Financial Assets				
Cash and cash equivalents	1,050.24	152.96	743.24	
Bank balances other than cash and cash equivalents	53.33	50.02	50.00	
Derivative financial instruments	1.01	26.44	-	
Securities held for trading	13,804.53	14,824.88	15,014.37	The Company invest in Highly liquid Central/State Government securities & high rated Corporate Bonds
Trade receivables	6,283.79	4,563.14	222.97	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Other receivables	0.84	95.30	105.23	
Investments	-	-	0.44	
Other financial assets	4,353.72	164.81	57.10	
Total	25,547.46	19,877.55	16,193.35	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39.D.2 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 and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-6% 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, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liquidity cushion			
Triparty Repo	3,900.00	-	-
Debt Securities	125.30	389.24	450.27
Other quoted investments	-	28.76	-
Total Liquidity cushion	4,025.30	418.00	450.27

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Committed Lines from Banks	50.00	50.00	50.00

Analysis of financial assets and liabilities by maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Gross settled, non-trading derivatives are shown separately, by contractual maturity at the foot of the note.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

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 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	1,050.24	-	-	-	-	-	1,050.24
(b) Bank balances other than cash and cash equivalents	53.33	-	-	-	-	-	53.33
(c) Derivative financial instruments	-	1.01	-	-	-	-	1.01
(d) Securities held for trading	-	13,804.53	-	-	-	-	13,804.53
(e) Receivables							
(i) Trade receivables	-	6,283.79	-	-	-	-	6,283.79
(ii) Other receivables	-	0.84	-	-	-	-	0.84
(f) Other financial assets	4,040.97	312.75	-	-	-	-	4,353.72
Total undiscounted financial assets	5,144.54	20,402.92	-	-	-	-	25,547.46
	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Liabilities							
(a) Derivative financial instruments	-	260.35	-	-	-	-	260.35
(b) Trade payables	-	49.40	-	-	-	-	49.40
(c) Borrowings (other than debt securities)	5,052.27	18,062.90	-	-	-	-	23,115.17
(d) Subordinated Liabilities	-	45.89	-	-	-	470.70	516.59
(e) Other financial liabilities	-	32.56	-	-	-	-	32.56
Total undiscounted financial liabilities	5,052.27	18,451.10	-	-	-	470.70	23,974.07
Total net financial assets / (liabilities)	92.27	1,951.82	-	-	-	(470.70)	1,573.39



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Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39. Risk Management

39.D.2 Liquidity risk (continued)

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 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	152.96	-	-	-	-	-	152.96
(b) Bank balances other than cash and cash equivalents	50.02	-	-	-	-	-	50.02
(c) Derivative financial instruments	-	26.44	-	-	-	-	26.44
(d) Securities held for trading	-	14,824.88	-	-	-	-	14,824.88
(e) Receivables							
(i) Trade receivables	-	4,563.14	-	-	-	-	4,563.14
(ii) Other receivables	-	95.30	-	-	-	-	95.30
(f) Other financial assets	-	51.59	-	-	-	113.22	164.81
Total Financial Assets	202.98	19,561.35	-	-	-	113.22	19,877.55

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Liabilities							
(a) Derivative financial instruments	-	20.72	-	-	-	-	20.72
(b) Trade payables	-	54.64	-	-	-	-	54.64
(c) Borrowings (other than debt securities)	196.08	17,373.62	-	-	-	-	17,569.70
(d) Subordinated Liabilities	-	45.89	-	-	-	470.70	516.59
(e) Other financial liabilities	-	48.80	-	-	-	-	48.80
Total Financial Liabilities	196.08	17,543.67	-	-	-	470.70	18,210.45

Total net financial assets / (liabilities)	6.90	2,017.68	-	-	-	(357.48)	1,660.10

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 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	743.24	-	-	-	-	-	743.24
(b) Bank balances other than cash and cash equivalents	50.00	-	-	-	-	-	50.00
(c) Securities held for trading	-	15,014.37	-	-	-	-	15,014.37
(d) Receivables							
(i) Trade receivables	-	222.97	-	-	-	-	222.97
(ii) Other receivables	-	105.23	-	-	-	-	105.23
(e) Investments	-	-	-	-	-	0.44	0.44
(f) Other financial assets	-	16.32	-	-	-	40.78	57.10
Total Financial Assets	793.24	15,358.89	-	-	-	41.22	16,193.35

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Liabilities							
(a) Derivative financial instruments	-	15.02	-	-	-	-	15.02
(b) Trade payables	-	39.20	-	-	-	-	39.20
(c) Borrowings (other than debt securities)	2,635.10	11,439.99	-	-	-	-	14,075.09
(d) Subordinated Liabilities	-	45.89	-	-	-	470.70	516.59
(e) Other financial liabilities	-	58.79	-	-	-	-	58.79
Total Financial Liabilities	2,635.10	11,598.89	-	-	-	470.70	14,704.69

Total net financial assets / (liabilities)	(1,841.86)*	3,760.00	-	-	-	(429.48)	1,488.66

* The Company had taken temporary borrowing from its related parties aggregating to Rs. 2,635.10 million leading to a mismatch as at April 1, 2017. The Company as part of its ALCO/ALM activities and post demerger of its lending and investment business had realigned its borrowings and assets profile and had ensured a positive ALM position as at March 31, 2018.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39.D.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total market risk exposure

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Carrying Amount	Traded Risk	Non traded risk		Carrying Amount	Traded Risk	Non traded risk		Carrying Amount	Traded Risk	Non traded risk	Primary risk sensitivity
Financial Assets												
Cash and cash equivalents	1,050.24	-	1,050.24		152.96	-	152.96		743.24	-	743.24	Interest rate
Bank balances other than cash and cash equivalents	53.33	-	53.33		50.02	-	50.02		50.00	-	50.00	Interest rate
Derivative financial instruments	1.01	1.01	-		26.44	26.44	-		-	-	-	Interest rate / security prices
Securities held for trading	13,804.53	13,804.53	-		14,824.88	14,824.88	-		15,014.37	15,014.37	-	Interest rate / security prices
Trade receivables	6,283.79	-	6,283.79		4,563.14	-	4,563.14		222.97	-	222.97	Interest rate
Other receivables	0.84	-	0.84		95.30	-	95.30		105.23	-	105.23	Interest rate
Investments	-	-	-		-	-	-		0.44	-	0.44	
Other financial assets	4,353.72	-	4,353.72		164.81	-	164.81		57.10	-	57.10	
Total Assets	25,547.46	13,805.54	11,741.92		19,877.55	14,851.32	5,026.23		16,193.35	15,014.37	1,178.98	
Financial Liabilities												
Derivative financial instruments	260.35	260.35	-		20.72	20.72	-		15.02	15.02	-	Interest rate / security prices
Trade payables	49.40	-	49.40		54.64	-	54.64		39.20	-	39.20	Interest rate
Borrowings (other than debt securities)	23,115.17	-	23,115.17		17,569.70	-	17,569.70		14,075.09	-	14,075.09	Interest rate
Subordinated Liabilities	516.59	-	516.59		516.59	-	516.59		516.59	-	516.59	Interest rate
Other financial liabilities	32.56	-	32.56		48.80	-	48.80		58.79	-	58.79	
Total Liabilities	23,974.07	260.35	23,713.72		18,210.45	20.72	18,189.73		14,704.69	15.02	14,689.67	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (Continued)

39.E.1 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 March 31, 2019 and at March 31, 2018.

39.E.2 Interest rate sensitivity

~~The Company does not have floating rate borrowing and CBLO borrowings. Accordingly the Company's profitability will not be affected due to interest rate changes except for the Interest rate future agreements entered in by the Company.~~

	For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact of Interest rate swaps				
Increase / (Decrease) in basis points	25	25	-25	-25
Effect on Profit before tax	64.38	36.25	(64.38)	(36.25)
Effect on Equity	-	-	-	-

39.E.3 Price Risk

The Company does not have investment in quoted equity shares or mutual fund units of equity oriented funds. Accordingly there is no effect on the Company's profitability or equity.

	For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on Interest rate futures				
Increase / (Decrease) in equity price (%)	5%	5%	-5%	-5%
Effect on Profit before tax	(52.48)	(25.85)	52.48	25.85
Effect on Equity	-	-	-	-

39.E.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its counterparties request repayment earlier or later than expected, such as fixed rate borrowings in the falling interest rate scenario.



40. First Time adoption

These financial statements, for the year ended March 31, 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 March 31, 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 March 31, 2019, together with the comparative period data as at and for the year ended March 31, 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 April 1, 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 April 1, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 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.

De-recognition of financial assets and liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

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 April 1, 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 April 1, 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 Company has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (April 1, 2017).

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.



40. First Time adoption (continued)

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Total Equity

Particulars	As at March 31, 2018	As at April 1, 2017
Total Equity / Shareholders' Funds as per Previous GAAP	2,308.40	3,681.66
Less: Impact of demerger [Refer note 42.01]	-	(1,929.80)
Adjustments:		
Fair valuation of securities held for trading	20.83	59.78
Preference shares issued to external parties	(470.70)	(470.70)
ESOP cost	37.77	30.61
DTA on fair valuation	(7.28)	(20.68)
Total effect of transition to Ind AS	(419.38)	(400.99)
Total Equity / Shareholders' Funds as per Ind AS	1,889.02	1,350.87

Reconciliation of Total Comprehensive Income for the year ended March 31, 2018

Particulars	Year Ended March 31, 2018
Profit as reported under previous GAAP	212.26
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Fair valuation of securities held for trading	38.95
Preference shares issued to external parties - Dividend	55.24
Fair valuation of employee stock options	4.23
Remeasurement gain on defined benefit plans	0.31
Deferred tax adjustment on above	(13.40)
Total effect of transition to Ind AS	85.33
Net profit as per Ind AS	126.93
Other Comprehensive Income for the year (net of tax) - Items that will not be reclassified to profit or loss	0.31
Total Comprehensive Income as per Ind AS	127.24

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. 0.31 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.

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 are measured at fair value.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 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.

41.01 Investments

	2019	2018
1) Value of Investments (including securities held for trading)		
i) Gross Value of Investments		
a) In India	13,804.53	14,824.88
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	13,804.53	14,824.88
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	-	-

41.02 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	2019	2018
i) The notional principal of swap agreements	25,750.00	14,500.00
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the	1.01	26.44
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps@	100%	100%
v) The fair value of the swap book	(259.34)	5.72

@ % of concentration of credit risk arising from swaps with banks.

B) Exchange Traded Interest Rate (IR) Derivatives

	2019	2018
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	64,171.20	71,860.20
ii) Notional principal amount of exchange traded IR derivatives outstanding	1,070.00	544.40
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

C) Qualitative disclosure for Derivatives

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

D) Quantitative Disclosures

S.no.	Particulars	2019	2018
		Currency Derivatives	Currency Derivatives
i)	Derivatives (Notional Principal Amount)		
	For hedging	-	-
		26,820.00	15,044.40
ii)	Marked to Market Positions		
	a) Assets (+)	-	1.01
	b) Liability (-)	-	(260.35)
iii)	Credit Exposure	247.50	145.00
iv)	Unhedged Exposures	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41.03 Capital to Risk Assets Ratio (CRAR)

	2019	2018
i. CRAR (%)	31.50%	42.07%
ii. CRAR - Tier I Capital (%)	24.86%	33.35%
iii. CRAR -Tier II Capital (%)	6.64%	8.72%
iv. Amount of subordinated debt raised as Tier-II capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

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

During the year ended March 31, 2019 and March 31, 2018, the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI.

41.05 Exposure to real estate sector, both direct and indirect; and

	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 Rs.15 lakh 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 would also include non-fund based (NFB) limits;	-	-
iii Investments in Mortgage		
Residential	-	-
Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund based exposures on	-	-
C Others (Not covered)	-	-
Total Exposure	-	-

41.06 Exposure to Capital Market

	2019	2018
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented invested in corporate debt;	-	-
(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;	-	-
(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;	-	-
(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)	-	-
(ix) Others - Not covered above	-	-
Total exposure	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.07 Asset Liability Management

Maturity pattern of certain assets and liabilities as at March 31, 2019

Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days (one month)	-	23,115.17	-	13,804.53	-
Over one month to 2 months	-	45.89	-	-	-
Over 2 months to 3 months	-	-	-	-	-
Over 3 months to 6 months	-	-	-	-	-
Over 6 months to 1 year	-	-	-	-	-
Over 1 year to 3 years	-	-	-	-	-
Over 3 years to 5 years	-	470.70	-	-	-
Over 5 years	-	-	-	-	-
Total	-	23,631.76	-	13,804.53	-

Maturity pattern of certain assets and liabilities as at March 31, 2018

Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days	-	17,569.70	-	14,824.88	-
Over one month to 2 months	-	45.89	-	-	-
Over 2 months to 3 months	-	-	-	-	-
Over 3 months to 6 months	-	-	-	-	-
Over 6 months to 1 year	-	-	-	-	-
Over 1 year to 3 years	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-
Over 5 years	-	470.70	-	-	-
Total	-	18,086.29	-	14,824.88	-

The asset-liability mismatch for the short term are primarily on account of the trade date accounting followed by the Company for recording the purchase and sale transactions of government securities whereby the sale proceeds aggregating to Rs. 6,283.79 million and Rs. 4,563.14 million are reflected as trade receivables as at March 31, 2019 and March 31, 2018 respectively.

Further, the Company had temporarily deployed its excess liquidity aggregating to Rs. 3,900.00 million as at March 31, 2019 in the Triparty Repo Lending. Accordingly, the Company is well poised to meet its contractual obligations over all the maturity due dates.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.08 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 provisions:

Particulars	2019	2018
i) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
ii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iii) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.09 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.

Particulars	2019	2018
(i) Provisions for depreciation on Investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards Income tax (net of deferred tax)	49.32	(193.13)
(iv) Provision for Standard Assets	-	-
(v) Other Provision and Contingencies (Provision for doubtful debts)	-	-

41.10 Concentration of Deposits, Advances, Exposures and NPAs

	2019	2018
A) Concentration of Advances		
Total advances to twenty largest borrowers	-	-
Percentage of advances to twenty largest borrowers to total advances	0.00%	0.00%
B) Concentration of Exposures		
Total exposures to twenty largest borrowers / customers	-	-
Percentage of exposures to twenty largest borrowers / customers to	0.00%	0.00%
C) Concentration of NPAs		
Total exposures to top four NPAs	-	-
D) Sector-wise NPAs		
Sectors	Percentage of NPAs to	2018
	2019	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

41.11 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	-	-

41.12 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)-Nil

41.13 The Company has not restructured any loans and advances during the year ended March 31, 2019 and March 31, 2018.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.14 Notes 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 :

	2019		2018	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures (other than falling within the meaning of public deposits \$)				
i) Secured	-	-	-	-
ii) Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowing	5,052.27	-	196.08	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans:				
Triparty Repo	18,062.90	-	-	-
Collateralised Lending and Borrowing	-	-	17,373.62	-
Preference Share Capital	-	-	-	-
(\$ Please see Note 1 below)				

Assets side :

	Amount Outstanding	
	2019	2018
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	-	-
(b) Unsecured	-	-
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL / HP activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Current Investments:(including securities held for trading)		
I.- Quoted:		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	13,679.23	14,406.88
	125.30	418.00



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41.15 Notes 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
2. Unquoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others (Debt instruments)		-	-
Long Term investments :			
1. Quoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. Unquoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
(a) Warrants		-	-
(b) Units of Fund		-	-
(c) Investment in Security Receipts		-	-
(d) Share Application Money		-	-

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:
As at March 31, 2019

Category	Amount (net of provisions)		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-

As at 31 March 2018

Category	Amount (net of provisions)		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-

41.16 Notes 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)

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

Category	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	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-

** As per Ind AS-24 Related Party Disclosures



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

(7) Other information

Particulars	2019	2018
(i) Gross Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(iii) Assets acquired in satisfaction of debts	-	-

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.

41.17 Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2019

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	CRISIL AA/Stable	ICRA AA/Stable	-	BWR AA+/Stable
Amount	Rs. 11,150.00	Rs. 16,350.00	-	Rs. 500.00
(ii) Short Term Instruments				
Rating	CRISIL A1+	ICRA A1+	CARE A1+	-
Amount	Rs. 10,000.00	Rs. 10,000.00	Rs. 10,000.00	-
(iii) Market linked debentures				
Short Term				
Rating	CRISIL PP MLD A1+r	ICRA PP MLD A1+	-	-
Amount	Rs. 715.00	Rs. 4,000.00	-	-
Long Term				
Rating	-	ICRA PP MLD AA/Stable	-	-
Amount	-	Rs. 7,000.00	-	-

Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2018

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	CRISIL AA/Stable	ICRA AA/Stable	CARE AA/Stable	BWR AA+/Stable
Amount	Rs. 11,150.00	Rs. 16,350.00	Rs. 1,500.00	Rs. 500.00
(ii) Short Term Instruments				
Rating	CRISIL A1+	ICRA A1+	CARE A1+	-
Amount	Rs. 10,000.00	Rs. 10,000.00	Rs. 10,000.00	-
(iii) Market linked debentures				
Short Term				
Rating	CRISIL PP MLD A1+r	ICRA PP MLD A1+	CARE PP MLD AA/Stable	-
Amount	Rs. 715.00	Rs. 4,000.00	Rs. 3,078.30	-
Long Term				
Rating	-	ICRA PP MLD AA/Stable	-	-
Amount	-	RS. 7,000.00	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.18 Details of transaction with non executive directors

Sr.	Name of the Non executive director	Nature of Transaction	2019	2018
1	P.N. Venkatachalam	Sitting Fees	0.32	0.26
2	Vinod Juneja	Sitting Fees	0.14	0.24

41.19 The Company has no disclosure in respect of securitisation as there are no financial assets sold to securitisation / reconstruction company

41.20 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral - Nil

41.21 Impact of prior period items on current year's profit and loss: Nil (Previous year Nil)

41.22 Circumstances in which Revenue Recognition has been postponed: Nil (Previous year Nil)

41.23 Draw Down from Reserves: Nil (Previous year Nil)

41.24 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)

41.25 Details of financing of parent company products - None (Previous year - none)

41.26 Off-Balance SPV sponsored - None (Previous year - none)

41.27 Registration obtained from other financial sector regulators - Nil (Previous year Nil)

41.28 Disclosure of Penalties imposed by RBI and other regulators - Nil (Previous year Nil)



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

42 Other disclosures

42.01 Scheme of Arrangement (Demerger):

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 ("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 transferred all the assets aggregating to Rs.10,214.42 million and Rs. 221.14 million and liabilities aggregating to Rs.8,737.81 and Rs.40.10 million as appearing in the books of Company related to lending business and training centre business respectively at their respective book value as on Appointed Date. Net assets transferred include:

Asset/Liabilities Transferred under Scheme of Demerger	EW Finvest	ELL	Total
Assets			
Financial assets			
Cash and cash equivalents	-	1.84	1.84
Securities held for trading	2,767.46	-	2,767.46
Trade receivables	62.91	16.15	79.06
Other receivables	6.44	0.03	6.47
Loans	1,993.66	-	1,993.66
Investments	1,015.92	-	1,015.92
Other financial assets	123.15	9.02	132.17
Non-financial assets			
Deferred tax assets (net)	151.05	(9.71)	141.34
Property, Plant and Equipment	-	194.19	194.19
Other Intangible assets	-	0.19	0.19
Other non-financial assets	55.00	1.62	56.62
Total Assets (A)	6,175.59	213.33	6,388.92
Liabilities			
Financial liabilities			
Derivative financial instruments	(38.52)	-	(38.52)
Trade payables	304.80	8.92	313.72
Debt securities	5,786.73	-	5,786.73
Borrowings (other than debt securities)	(1,423.13)	(7.73)	(1,430.86)
Deposit	3.90	-	3.90
Subordinated Liabilities	-	-	-
Other financial liabilities	50.00	6.18	56.18
Non-financial liabilities			
Provisions	13.16	9.03	22.19
Other non-financial liabilities	2.04	15.90	17.94
Total Liabilities (B)	4,698.98	32.30	4,731.28
Net assets transferred (A-B)	1,476.61	181.03	1,657.64

iii) The Scheme of arrangement is a tax neutral demerger 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 resultant companies issued equity shares in consideration for the businesses acquired by them to the shareholders of the Company i.e. Edelweiss Financial Services Limited. Edelweiss Finvest Private Limited issued 8,279,275 equity shares of Rs. 10 each at a premium of Rs 168.35 per equity share aggregating to Rs.1,476.61 million and Edelweiss Land Limited issued 18,103,500 equity shares of Rs. 10 each at par aggregating to Rs. 181.04 million in settlement of the consideration. Accordingly, the reduction in the net worth of the Company of Rs. 1,657.64 million has been reflected as a reduction in the securities premium account in terms of accounting treatment approved in the Scheme.

iv) On account of demerger, The Company has transferred profit/(loss) after tax from April 1, 2016 (appointed date) to March 31, 2017 to EW Finvest and ELL of Rs.286.00 million and Rs.(13.92) respectively; net Rs. 272.08 million has been adjusted to retained earnings.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42 Other disclosures (continued)**42.02 Details of open interest for derivative instruments****42.02(a) Open interest in interest rate derivatives:**

As at March 31, 2019

Benchmark	Notional principal	Terms	Purpose
MIBOR	25,750	Pay fixed Vs. receive floating	Hedging

As at March 31, 2018

Benchmark	Notional principal	Terms	Purpose
MIBOR	14,500	Pay fixed Vs. receive floating	Hedging

42.02(b) Open interest rate futures as at March 31, 2019 with exchange

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	1,900	3,800,000	7,250	14,500,000
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

Open interest rate futures as at March 31, 2018 with exchange

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	2,722	5,444,000
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

42.03 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2019 (Previous year: Rs Nil).

42.04 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019.

42.05 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.

42.06 Statutory Audit

The financial statement for the year ended March 31, 2019 has been audited by S.R. Batliboi & Co LLP Chartered Accountants. The financial statement for the year ended March 31, 2018 have been audited by an another firm of Chartered Accountants.

42.07 The comparative Ind-AS 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 Ind-AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 2, 2018 and May 16, 2017 respectively, have 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 the Statutory Auditors.

42.08 As of the date of signing of financial statement, the Company has all the KMPs as per the Companies Act, 2013 except Company Secretary. The Company Secretary resigned effective April 18, 2019. The company is in the process of filling up the vacancy.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

43. Previous year figures has been restated/regrouped wherever necessary.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors



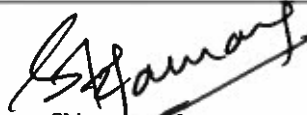
per Shrawan Jalan
Partner
Membership No: 102102



Venkatchalam Ramaswamy
Executive Director
DIN: 00008509



S Ranganathan
Executive Director
DIN: 00125493



Shivaraman Iyer
Chief Financial Officer

Mumbai
May 13, 2019



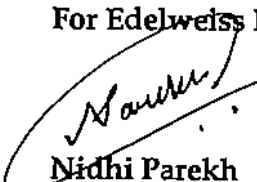
Mumbai
May 13, 2019

Certified true copy of the Special Resolution passed by the Members at the 20th Annual General Meeting of Edelweiss Finance & Investments Limited held on September 9, 2014

Item No. 8

"RESOLVED that pursuant to the provisions of Section 180 (1)(a) and Section 180 (1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to 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) on behalf of the Company for borrowing monies, from time to time, and, if they think fit, mortgaging or charging the Company's undertaking and any property or any part thereof to secure such borrowings upto a continuous limit for the time being remaining undischarged of Rs. 7,500 crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

For Edelweiss Finance & Investments Limited


Nidhi Parekh
Company Secretary

Address **Sector - 6 / A-2/ 004,
Ideal Shantinagar Society,
Opp. Canara Bank,
Mira Road (E),
Thane - 401107**

 **Membership No. A30058**

Certified true copy of the Explanatory Statement in respect of the Special Resolutions passed by the Members at the 20th Annual General Meeting of Edelweiss Finance & Investments Limited held on September 9, 2014

Item No. 8:-

In accordance with the provisions of Section 293 of the Companies Act, 1956, the members at the Extraordinary General Meeting held on November 2, 2011, 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. 4,000 crores and, to secure the re-payment thereof.

As per the provisions of Section 180 of the Companies Act, 2013 (the 'Act') and the Circulars issued thereunder, the said approval of the members will remain in force upto September 11, 2014. Therefore, it would be necessary to obtain the approval of the members for borrowing monies in excess of the aggregate of the paid-up capital of the Company and its free reserves and to secure the re-payment thereof.

To meet its financial requirements, the Company has been raising funds by borrowing monies and may require additional funds. It is, therefore, proposed to obtain the approval of the members to borrow monies upto Rs. 7,500 crores and, to secure the repayment thereof.

The Board recommends the passing of the Resolution set out in Item No. 8 as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested in this item of business.

Item No. 9:-

The Articles of Association (the Articles) of the Company are in conformity with provisions of the Companies Act, 1956 and the Rules framed there under.

The Ministry of Corporate Affairs, Government of India, had notified the majority of the provisions of the Companies Act, 2013 and has framed the Rules. Consequently, the Articles is being altered in order to comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder.

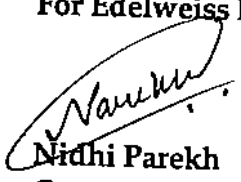
In view of the above, it is considered prudent to substitute the existing Articles by a new set of Articles. The proposed Articles are based on Table 'F' of the Schedule-I of the Act which provides the model Articles of Association for a Company Limited by Shares.

The proposed Articles are available for inspection by the members at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on working days.

The Board recommends the passing of the Resolution set out in Item No. 9 as a Special Resolution.

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 Finance & Investments Limited


Nidhi Parekh
Company Secretary

Address **Sector – 6 / A-2/ 004,**
Ideal Shantinagar Society,
Opp. Canara Bank,
Mira Road (E),
Thane – 401107

 **Membership No. A30058**

Certified true extract of the Resolution passed by the Board of Directors of Edelweiss Finance & Investments Limited at its Meeting held on February 10, 2021

"RESOLVED that pursuant to the provisions of Sections 42, 71 and all 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 SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and all other applicable SEBI Rules and Regulations, and subject to the provisions of relevant Reserve Bank of India (RBI) Directions, Rules and Regulations, and further subject to the approval by the Members of the Company, the approval of the Board be and is hereby accorded to issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-convertible Debentures ("the Debentures") including but not limited to sub-ordinated Debentures qualifying as Tier-II debt in terms of the relevant RBI Regulations, upto Rs. 4,000 crores, during the period of one year from the date of passing of such resolution by the Members of the Company, to the eligible investors, on a private placement basis, in one or more tranches, within the overall borrowing limits of the Company.

FURTHER RESOLVED that the Debentures Committee be and is hereby authorised to finalise the terms and conditions of the Debentures, offer and allot the Debentures, creation of security and do all such acts, deeds, matters and things, as may be necessary for giving effect to this Resolution.

FURTHER RESOLVED that the Debentures Committee be and is hereby authorised to negotiate, sign, finalise, execute and approve such documents, papers, undertaking, other agreements as may be required including, but not limited to, Private Placement Offer Letter, offer opening and closing date and to do such other acts, things and deeds as may be necessary in this regard."

For Edelweiss Finance & Investments Limited

Pooja Jayesh Doshi
Digitally signed
by Pooja Jayesh
Doshi
Date
2021.02.18
10:33:09 +05'30'

Pooja Doshi

Company Secretary

Membership No: A- 29803

Edelweiss House, Off CST Road, Kalina, Mumbai- 400 098

Notice is hereby given that an Extraordinary General Meeting of the Members of Edelweiss Finance & Investments Limited will be held on Friday, February 12, 2021 at 4:00 p.m. at the Registered Office of the Company at Edelweiss House, Off C.S.T Road, Kalina, Mumbai- 400 098 to transact the following business: -

1. **Issue of Non-Convertible Debentures on a Private Placement Basis**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"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, upto Rs. 4,000 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 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 for the purpose of creating, offering, issuing and allotting the Debentures, 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 or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue, settle any 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.”

2. Alteration to the Objects Clause of the Memorandum of Association

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (“the Act”) and subject to receipt of necessary approvals, if any, the approval of the members of the Company be and is hereby accorded for alteration of the Memorandum of Association of the Company by inserting the following new Clause 102 after the existing Clause 101:-

- ‘102 - To provide advisory services relating to the Employees’ Stock Options (by whatever name called) (ESOP) from the designing of the ESOP Plan to the implementation thereof which would inter alia include review of the compliances with the applicable laws and development of the software systems for implementation of the Plan.”

FURTHER RESOLVED that subject to and in accordance with the provisions of the Act, as may be applicable from time to time, 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 they may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle any 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.”

**By Order of the Board
Edelweiss Finance & investments Limited**



**Pooja Doshi
Company Secretary**

Mumbai, February 10, 2021

Registered Office:
Edelweiss House, Off C.S.T Road,
Kalina, Mumbai- 400 098
CIN: U67120MH1994PLC286057
Email: EWM.Secretarial@edelweissfin.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 is attached herewith.
3. A Route Map along with Prominent Landmark for easy location to reach the venue of Extraordinary General Meeting is annexed with the notice of Extraordinary General Meeting.

Annexure to the Notice dated February 10, 2021

**Explanatory Statement pursuant to the provisions of
Section 102 of the Companies Act, 2013**

Item No. 1:-

The Members at the Extraordinary General Meeting held on February 17, 2020, had by way of a Special Resolution 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/NCDs") on a private placement basis upto Rs. 4,000 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 in force 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 Special Resolution as proposed in Item No. 1 of the Notice for issuing NCDs on a private placement basis upto Rs. 4,000 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 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 upto Rs. 4,000 crores, in one or more tranches, was approved by the Board at its meeting held on February 10, 2021. The Board shall determine terms and conditions of the offer at the time of issuance of respective series/ tranche of the NCDs.

b) Kind of Securities offered and the price at which security is being offered:

Issue price of the NCDs shall be determined at the time of issue of respective series of NCDs and which may be issued at par or premium 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 upto Rs. 4,000 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 in Item No. 1 of the Notice herein shall remain in force for a period of 1 year from date of passing the Resolution.

The Board recommends the passing of the Special Resolution set out in Item No. 1 of 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, except to the extent the NCDs may be subscribed by them.

Item No. 2:-

The Company is engaged in the business of providing ESOP Financing and has employees of various large corporate as clients. It is therefore considered to prudent to provide the value added services to the corporates by providing advisory services relating to the Employees' Stock Options (by whatever name called) (ESOP) from the designing of the ESOP Plan to the implementation thereof in the manner set out in Item No. 2 of the Notice.

Your Directors recommend the Resolution for adoption by the members.

None of the Directors and their relatives are interested or concerned, in any manner, whatsoever, in any matter in this item of business.

By Order of the Board
Edelweiss Finance & investments Limited



Pooja Doshi
Company Secretary

Mumbai, February 10, 2021

Registered Office:
Edelweiss House, Off C.S.T Road,
Kalina, Mumbai- 400 098
CIN: U67120MH1994PLC286057
Email: EWM.Secretarial@edelweissfin.com

Certified true extract of the Special Resolution passed by the Members of Edelweiss Finance & Investments Limited at the Extraordinary General Meeting of the Company held on February 12, 2021.

"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, upto Rs. 4,000 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 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 for the purpose of creating, offering, issuing and allotting the Debentures, 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 or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue, settle any 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 Finance & Investments Limited

Pooja Jayesh Doshi
Digitally signed
by Pooja Jayesh
Doshi
Date:
2021.02.18
10:35:56 +05'30'

Pooja Doshi

Company Secretary

**Address: Edelweiss House, Off C.S.T Road,
Kalina, Mumbai- 400098.**

Membership No : A29803

No.0045/2019-2020/CL - 2528
Date : 27th May, 2019.

Edelweiss Finance and Investments Ltd
Edelweiss House, 14th Floor,
Off. C.S.T. Road, Kalina, Mumbai
MUMBAI - 400098

Attn : Ms. Akshaya Mishra - .

Dear Sir,

Appointment of SBICAP Trustee Company Limited as Debenture Trustee for issue of Secured debentures aggregating to Rs. 2,000 crs

This is with reference to the appointment of SBICAP Trustee Company Limited as Debenture Trustee.

In this connection, we hereby give our consent to act as Debenture Trustee for the above assistance on the following terms :

1) One Time Fees	Rs. 3,00,000/- plus applicable taxes (one time payment) to be paid immediately on acceptance of trusteeship assignment for the above referred Issue.
2) Annual Service Charges	Rs. 1,50,000/- p.a plus applicable taxes payable yearly in advance on 1st April each year from the date of allotment of Bonds. The Trusteeship remuneration will be payable by you till the time repayment / redemption of entire bonds and its satisfaction of charges in full.
3) Trust Settlement Fee	Rs. 1,000/- only.
4) Out of Pocket Expenses	On actual basis.

All Expenses relating to legal and other expenses including enforcement of security will be charged separately.

Overdue payment of Annual Services Charges, if any, may carry an interest at 12% (twelve percent) per annum payable from the due date till the date of actual payment.

We request you to kindly contact following officials :

Ardhendu Mukhopadhyay contact no.022 - 43025502 Cell no.8879150002 and/or Deepak Dhondye contact no.022 - 43025514 Cell no.8879150014 for any assistance in future.

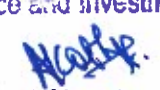
We keenly look forward for our association.

Note:- The correspondence address shall be considered for levying GST. If there is any change in correspondence address we request you to kindly intimate us.

Yours Faithfully,

Edelweiss Finance and Investments Ltd.


Authorised Signatory


Authorised Signatory/Director
We accept the above terms
For Edelweiss Finance & Investments Ltd
Amit Kothari
Authorised Signatory

www.sbicaptrustee.com
+91 22 4302 5566
+91 22 4302 5555
+91 22 2204 0465
helpdesk@sbicaptrustee.com

Corporate Office :
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai,
Pin - 400 020.

(signature with stamp)
Registered Office :
202, Maker Tower E,
Cuffe Parade, Mumbai - 400 005.
CIN : U65591MHPLC158386

 A Group Company of SBI

600/-

BETWEEN

AS THE COMPANY (ISSUER)

AND

AS THE DEBENTURE TRUSTEE

AUTHORIZED SIGNATORY

M. S. MARG BRANCH

AND

INDIAN BUREAU OF INDIA
MUMBAI SALA CHAIR MARG BRANCH;
PLANNING & DEVELOPMENT DEPARTMENT,
6670, MUMBAI SALA CHAIR MARG,
FORT MUMBAI-40003.
D-55751 NC-0000 (SECRETARY) 4704

Redeemable
in various
forms of all the
of interest or
pay deemed fit.
red January
g Rs. 4,000

- (1) To meet its fund requirements, the Company proposes to issue Secured Redeemable Non-convertible Debentures (hereinafter referred to as the Debentures) in various tranches from time to time aggregating to Rs.2,000 Crores and to seek listing of all the tranches or certain tranches. The Debentures would either carry fixed rate of interest or linked to the securities, indices or in such other manner as the Company may deem fit. The Board of Directors of the Company has passed a Board Resolution dated January 22, 2019 authorizing the issue of Debentures for an amount not exceeding Rs. 4,000 Crores.



6. The Company shall create the security over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclosed in the Information Memorandum or Disclosure Document. Further, the Debenture Trust Deed and other necessary security documents for the said debentures as approved by the Debenture Trustee, shall be executed within a period of 3 months from the closure of the issue of such series of debentures.
7. The Company shall pay to the Debenture Trustees 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, travelling 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 Documents affecting the Security. The remuneration of the Trustees shall be as per the consent letter No. 0045/2019-2020CL- 2528 dated May 27, 2019 (As Annexure I).
8. The Company shall inter-alia furnish to the Debenture Trustee the documents as per Annexure II in addition to other reports as may be specified in the Debenture Trust Deed, Listing Agreement, if applicable and as mandated by RBI and SEBI from time to time.
9. The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, and other applicable provisions and agrees to furnish to Trustees necessary information in terms of aforesaid regulations on regular basis.
10. This Agreement shall be governed by and construed in accordance with the laws in India and the Courts of Mumbai will have exclusive jurisdiction over all matters in relation to this Agreement.
11. THIS AGREEMENT is entered into in compliance with the provisions of Regulation 13 of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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.
12. The Trustee hereby covenants that it is aware that unpublished price sensitive information is subject to applicable securities laws including SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and amendments thereto, which prohibit the Trustee and its agents from, amongst other matters, dealing in securities while in possession of such non-public information (including the Confidential Information), or from communicating the same to any other person who, while in possession of such Confidential Information, may deal in such securities. The Trustee agrees that without prejudice to such obligations as set out above, it shall comply with applicable laws including the PIT Regulations and any amendments thereto or re-enactments thereof, and from the date of this Agreement neither it nor any of its affiliates (nor any person acting on behalf of or in concert with it or its affiliates) will, directly or indirectly, acquire or sell, agree to acquire or sell, propose, seek or offer to acquire or sell, or facilitate the



- (2) The Company agrees to submit the details as per Schedule I of the Securities Exchange Board of India (Issue and Listing of Debt Securities Regulations), 2008 and amendments thereafter (hereinafter referred to as "Debt Securities Regulations") as on date of allotment.
- (3) Pursuant to the Companies Act, 2013, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time ("Debenture Trustee Regulations") and the SEBI Regulations, the Company is required to appoint a Debenture Trustee for the benefit of the Debenture holders and accordingly the Company has approached SBICAP Trustee Company Limited to act as the debenture trustee for the benefit of the Debenture holders and SBICAP Trustee Company Limited has at the request of the Company agreed to act as the Debenture Trustee for the benefit of the Debenture holders on the terms and conditions agreed upon and hereinafter set out.
- (4) Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Issuer Company is required to comply with the said regulations by furnishing the requisite information to the Stock Exchanges, Debenture Trustees and Debenture Holders.
- (5) At the request of the Company, SBICAP Trustee Company Limited has agreed to act as the Debenture Trustees under this Agreement as Debenture Trustees on the terms and conditions agreed upon and hereinafter set out.

NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. That the Company hereby appoints SBICAP Trustee Company Limited as the Debenture Trustee for the Debenture holders of all the series of the debentures aggregating Rs.2,000 Crores to be issued by the Company from time to time and SBICAP Trustee Company Limited hereby agrees to act as Debenture Trustee for the Debenture holders.
2. The Company hereby declares and confirms that the Company or the person in control of the Company, or its Promoter has not been restrained or prohibited or debarred by the Securities Exchange Board of India (SEBI) from accessing the securities market or dealing in securities.
3. The Company agrees and confirms that the purpose of the issue is not for providing loan to or acquisitions of shares of any person who is a part of the same group or who is under the same management.
4. The Company hereby declares and confirms that the proposal to create a charge or security in respect of secured debt securities has been disclosed in the offer document along with its implications.
5. The Company hereby declares and confirms that the assets on which charge is to be created, if already charged to secure debt, the permissions or consent to create pari passu charge on the assets of the company shall be obtained from the existing charge holders.



acquisition, ownership or sale of, any securities, the business (or any part thereof) of the Trustee or of its affiliates or of its clients as maybe applicable



IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day, month and year first hereinabove written.

SIGNED AND DELIVERED by EDELWEISS FINANCE & INVESTMENTS LIMITED, pursuant to the resolution of its Debenture Committee passed in that behalf on the 5th day of June, 2019, by the hand of Shivaraman Iyer, an authorized signatory of the Issuer Company

Edelweiss Finance and Investments Ltd.

Authorised Signatory/Director

SIGNED AND DELIVERED by the within Name SBICAP TRUSTEE COMPANY LIMITED in its capacity as Debenture Trustees by the hand of HARISH SHETTY, an authorized official Of the Trustees.

For SBICAP TRUSTEE COMPANY LTD.

Authorised Signatory


**SBICAP
Trustee**
SBICAP Trustee Company Ltd.

No.0045/2019-2020/CL - 2528
Date : 27th May, 2019.

Edelweiss Finance and Investments Ltd
Edelweiss House, 14th Floor,
Off. C.S.T. Road, Kalina, Mumbai
MUMBAI - 400098

Attn : Ms. Akshaya Mishra - .

Dear Sir,

Appointment of SBICAP Trustee Company Limited as Debenture Trustee for issue of Secured debentures aggregating to Rs. 2,000 crs

This is with reference to the appointment of SBICAP Trustee Company Limited as Debenture Trustee.

In this connection, we hereby give our consent to act as Debenture Trustee for the above assistance on the following terms :

1) One Time Fees	Rs. 3,00,000/- plus applicable taxes (one time payment) to be paid immediately on acceptance of trusteeship assignment for the above referred Issue.
2) Annual Service Charges	Rs. 1,50,000/- p.a plus applicable taxes payable yearly in advance on 1st April each year from the date of allotment of Bonds. The Trusteeship remuneration will be payable by you till the time repayment / redemption of entire bonds and its satisfaction of charges in full.
3) Trust Settlement Fee	Rs. 1,000/- only.
4) Out of Pocket Expenses	On actual basis.

All Expenses relating to legal and other expenses including enforcement of security will be charged separately.

Overdue payment of Annual Services Charges, if any, may carry an interest at 12% (twelve percent) per annum payable from the due date till the date of actual payment.

We request you to kindly contact following officials :

Ardhendu Mukhopadhyay contact no.022 - 43025502 Cell no.8879150002 and/or Deepak Dhondye contact no.022 - 43025514 Cell no.8879150014 for any assistance in future.

We keenly look forward for our association.

Note:- The correspondence address shall be considered for levying GST. If there is any change in correspondence address we request you to kindly intimate us.

Yours Faithfully,

[Signature]

Authorised Signatory

www.sbicaptrustee.com
+91 22 4302 5566
+91 22 4302 5555
+91 22 2204 0465
helpdesk@sbicaptrustee.com

Corporate Office :
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai,
Pin - 400 020.

Edelweiss Finance and Investments Ltd.

[Signature]
Authorised Signatory/Director
We accept the above terms
For Edelweiss Finance & Investments Ltd
[Signature]
Authorised Signatory

(signature with stamp)
Registered Office :
202, Maker Tower E,
Cuffe Parade, Mumbai - 400 005.
CIN : U65591MHPLC158386

[Signature] A Group Company of SBI



Annexure II

- a) A certified copy of the Memorandum and Articles of Association of the company.
- b) Authorised, issued, subscribed & paid up capital structure of the company.
- c) Board Resolution appointing SBICAP Trustee Company Limited (STCL) as Debenture Trustees along with authority to create the security.
- d) Certified True Copy of resolution passed by the board of directors of the Company under the provisions of Section 179 (3) (c) of the Companies Act, 2013 for the issue of Debentures;
- e) Extract of Resolutions passed at a general meeting of the borrower under sections 180 (1) (a) and 180 1(c) of the Companies Act, 2013 and in case of any corporate (being public Cos.) extracts of resolution under section 180 (1) (a) and 186 of the Companies Act, 2013 and Extract of Resolutions passed under Section 42 of Companies Act, 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014.
- f) Special Resolution under section 42 of Companies Act, 2013, read with Rule 14(2)a of Companies (Prospectus and Allotment of Securities) Rules, 2014.
- g) Copy of Information Memorandum/Subscription Agreement/Prospectus/Shelf-Prospectus.
- h) A copy of the latest Annual Report of the company (in case the Annual Report is more than 6 months old, a copy of latest unaudited report is required).
- i) Copy of Listing Agreement/ In-principle approval from Rating agency and Stock Exchange, if any.
- j) In-principle approval from Rating agency and Stock Exchange
- k) RBI approval for issue of Bonds/Debentures
- l) No objection for ceding charge in our favour from the existing charge holders, including charge holders whose charges are yet to be satisfied.
- m) All Board Resolutions in case of Corporate Guarantee
- n) Permission under Section 281 (I) (ii) of the Income Tax Act, 1961 for creating charge in favour of Trustee.
- o) List of major plant and Machinery, if applicable.
- p) ROC Search report and Title Search Report.
- q) No objection certificate from Lessor in case of leasehold property, if applicable.



- r) Permission under FEMA in case of External Commercial Borrowings (ECB), if applicable.
- s) Statutory Auditor's Certificate indicating Asset Coverage Ratio.
- t) Title Search Report
- u) Valuation Report.
- v) Declaration on the letterhead of the Company that the borrowings of the current issue are within the limit sanctioned u/s 180(1)c of the Companies Act, 2013, or alternatively, that the borrowings of the current issue do not attract the provisions of section 180(1)c of the Companies Act, 2013.
- w) Copy of PAN cards/Passport of all executants, duly certified by compliance officer.
- x) Specimen signature of all the executants duly certified by Director or the authorized signatory.

In addition to the above, in case of mortgage of immovable property, prior to creation of mortgage, the company would be required to furnish the following document:

- a) A report on title prepared by an Advocate of atleast 10 years standing at the Bar, giving chain of title for the past period of 30 years. (A brief note and format for points to be covered by the said Advocate is enclosed herewith).
- b) Complete statement giving details of all land, such as survey/khas/khasra no/plot no, land tenure (whether freehold or lease-hold etc.), village, taluka, registration sub-district and district where the property is situated, extent or area of each of the property numbers and total area of the lands and Pin no. where property is situated needs to be given;
- c) Photostat copies of all title deeds, records of rights, revenue/municipal /city survey record for the past 30 years in respect of all the land;
- d) Receipts evidencing payment of property tax/ land revenue /lease rent, as the case may be, upto date ;
- e) Site map of lands (not a building layout) showing all individual property numbers, their extent or area, boundaries, access road etc. duly certified by a qualified surveyor;
- f) Confirmation whether the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 are applicable, and if so, the order under Section 20 of the said Act permitting you to hold excess vacant land, if any, and the permission by the Competent Authority for mortgaging the land under Section 27 of the said Act will have to be obtained from the appropriate authorities;
- g) Whether the provisions of any local Act such as Tenancy/Land Reformation Agricultural Land Ceiling Laws or any other local Law restricting the holding / transfer of the lands



are applicable, if so, requisite permission for the holding/mortgaging the lands will have to be obtained from the appropriate authorities;

- h) Full details of all existing charges or encumbrances, if any, on your properties (both movable and immovable) viz. date of creation of the charge, name of the chargeholder, amount of charge, nature of charge, etc.
- i) Details of litigation/attachments, if any, touching your properties and/or winding up proceedings pending in any Court. (A certificate from the Advocate as per the format attached herewith may be forwarded, unless the same is incorporated in the Report on title furnished by the Advocate).
- j) Details of any leasehold right/tenancy rights, if any, created in favour of third parties, in respect of your immovable properties;



Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



Rating Rationale

August 27, 2021 | Mumbai

Edelweiss Finance and Investments Limited

'CRISIL PP-MLD AA-r/Negative' assigned to Long Term Principal Protected Market Linked Debentures

Rating Action

Total Bank Loan Facilities Rated	Rs.200 Crore
Long Term Rating	CRISIL AA-/Negative (Reaffirmed)
Rs.750 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA-r/Negative (Assigned)
Rs.463.84 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA-r/Negative (Reaffirmed)
Rs.500 Crore Non Convertible Debentures@	CRISIL AA-/Negative (Reaffirmed)
Non Convertible Debentures Aggregating Rs.510 Crore	CRISIL AA-/Negative (Reaffirmed)
Rs.105 Crore Preference Share Issue	CRISIL AA-/Negative (Reaffirmed)
Rs.300 Crore Short Term Principal Protected Market Linked Debentures	CRISIL PP-MLD A1+r (Reaffirmed)
Short-Term Principal-Protected Market-Linked Debentures Aggregating Rs.71.5 Crore	CRISIL PP-MLD A1+r (Reaffirmed)
Rs.3000 Commercial Paper Programme(IPO Financing)	CRISIL A1+ (Reaffirmed)
Rs.1000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

@ public issue of retail NCDs

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL PP-MLD AA-r/Negative'** rating to fresh Rs 750 crore Long Term Principal Protected Market Linked Debentures and reaffirmed its rating on the long-term debt instruments and bank facilities of Edelweiss Finance And Investments Limited (EFIL; part of the Edelweiss group) to **'CRISIL AA-/CRISIL PP-MLD AA-r/Negative/CRISIL A1+/CRISIL PP-MLD A1+r'**.

The ratings reaffirmation factor in the group's adequate capitalisation levels, supported by multiple capital raises, and its diversified business profile with presence across lending, asset management, wealth management, broking, asset reconstruction and insurance segments, and demonstrated ability to build significant presence in multiple lines of business - this should support earnings going ahead. The group also maintains adequate liquidity on an ongoing basis.

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

Despite the challenging macro environment for non-banks, the group has been able to raise capital from marquee global investors. During the last quarter of fiscal 2021, stake sale of Edelweiss Wealth Management (EWM; comprising wealth management and capital markets business) to PAG (Pacific Alliance Group, Asia-focused alternative investment managers) was concluded with the group receiving Rs 2,366 crore. PAG currently holds 61.5% of the business, while Edelweiss Group holds a 38.5% stake, with an option to increase it to 44%. Earlier, the group raised Rs 1,334 crore (in aggregate) from Caisse de depot et placement du Quebec (CDPQ), Kora Management (Kora; a US-based investment firm), and Sanaka Growth SPV I Ltd (part of Sanaka Capital) between March and November in 2019. These stake sales have helped to absorb asset-side risks and despite business losses in fiscals 2020 and 2021, the networth remained relatively steady at Rs 8,542 crore as on March 31, 2021 (Rs 8,715 crore as on March 31, 2019). With a decline in borrowings, the gearing has also reduced to around 3 times as on March 31, 2021 from around 4 times as on March 31, 2020. The group is also in the process of proceeding with stake sale of the remaining 70% in the Insurance broking venture to Arthur Gallagher, which already holds 30% stake. This transaction is expected to bring in Rs 300-400 crore at the holding company level before December 2021, which should further support capitalisation.

The group has diversified business interests in financial services. Many of the non-lending businesses including the asset reconstruction company (ARC), asset management, and wealth management have scaled up significantly over the years and are contributing a higher share of revenue and profit. These businesses should support the overall earnings profile.

The group also maintains adequate liquidity. The overnight on-balance-sheet liquidity (including cash, liquid investments, and treasury assets) stood at around Rs 2,250 crore, and unutilised bank lines at Rs 500 crore, as on July 31, 2021. The group also has other liquid assets (investments, securities-based lending), that can be accessed if necessary. This stood at around Rs 2,700 crore as on July 31, 2021. The group raised around Rs 7,500 crore in fiscal 2021 and Rs 1,430 crore through bank loans, securitisation, structured NCDs as well retail bonds.

As for asset quality, overall reported gross stage III assets in the lending business increased to 7.7% as on March 31, 2021, from 5.3% a year earlier. The increase is attributed to a decline in the loan book to Rs 15,279 crore, from Rs 21,032 crore a year earlier. On an absolute basis, stage III assets stood largely stable at Rs 1,182 crore as on March 31, 2021 (Rs 1,114 crore a year earlier) supported by write-offs and sale to ARCs of Rs 2,047 crore during fiscal 2021. The overall stage III assets ratio, improved to 5.3% as on June 30, 2021 supported by recovery in one large NPA account. Nevertheless, including security receipts held, the stressed assets of the lending book would be higher. The group has also restructured ~2.5% of its portfolio in line with the Reserve Bank of India's (RBI's) August 2020 Resolution Framework for Covid-19-related stress.

While the wholesale book had been witnessing challenges for the last few quarters, the retail book has also seen increased asset quality pressures given the tough macro environment. Stage III assets ratio in the retail book increased to 3.9% as on March 31, 2021, from 1.2% a year earlier. The reported stage III assets ratio in the wholesale book stood at 12.0% as on March 31, 2021. Nevertheless, stage III assets ratio in both wholesale and retail book improved to 8.1% and 2.9% respectively as on June 30, 2021.

With the second wave of the pandemic resulting in intermittent lockdowns and localised restrictions, there has been a dip in collections in some segments given the impact on borrowers' cash flows. This is, however, expected to improve and normalise with easing of lockdowns and pick-up in economic recovery. Any change in the behaviour of borrowers on payment discipline can, however, further affect delinquency levels.

Nevertheless, the group continues to move towards an asset-light model through sell-down of wholesale assets and co-lending arrangements in the retail lending business. In wholesale finance, it is shifting the assets to a fund platform, which will provide completion finance to projects. In this regard, the group has already concluded transactions aggregating over Rs 2,500 crore in the past 18 months. It is in advanced stages of concluding additional transactions.

The increased stress in the loan book and consequent higher provisions, including management overlay, has impacted the group's earnings profile. On a consolidated basis, while the group reported a net profit of Rs 254 crore in fiscal 2021 (loss of Rs 2,044 crore in fiscal 2020), it was primarily due to the one-off gain from stake sale in the wealth management business. Excluding this one-off gain, the group would have reported a net loss in fiscal 2021 as well. During the quarter ended June 30, 2021, the group reported a net profit of Rs 18 crore after reducing wealth management shareholder's profit of Rs 41 crore as compared to loss of Rs 245 crore in quarter ended June 30, 2020.

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

Analytical Approach

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

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

Key Rating Drivers & Detailed Description

Strengths:

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

The Edelweiss group has demonstrated its ability to raise capital from global investors, across businesses, despite the tough macro environment. The group has raised more than Rs 3,700 crore over the past 24 months across the lending, wealth management and asset management businesses. This has helped to maintain the capital position despite elevated credit costs, and absorb asset-side risks. During the first quarter of fiscal 2022, the group plans to raise an additional Rs 300-400 crore through stake sale in its insurance broking business before December 2021; the transaction is pending regulatory approvals.

With the scale-down of the lending business over the past few quarters, borrowings have also come down. With this, coupled with capital raised, the gearing has come down to ~3 times as on June 30, 2021 (~3 times as on March 31, 2021), from ~4 times as on March 31, 2020.

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

Edelweiss group is a diversified financial services player with presence across various businesses including asset management, wealth management, life insurance, general insurance, asset reconstruction, alternate assets, broking, investment banking, retail finance and wholesale finance. The group has attained sizeable scale in many of these businesses over a period of time which is likely to lend greater stability to earnings over time.

In the lending business of book size of Rs 14,465 crore as on June 30, 2021 (Rs 15,279 crore as on March 31, 2021), excluding capital deployed in distressed assets credit, the group plans to focus on increasing the granularity of the loan book. As a part of this strategy, it will focus on growing the retail book (53% of total credit book as on June 30, 2021 and March 31, 2021) comprising primarily of mortgage and micro, small and medium enterprises [MSME] loans. Growth in the wholesale credit book is expected to be predominantly through the fund structure.

In the distressed assets segment, Edelweiss ARC is the largest ARC in India, with total securities receipts managed at Rs ~42,300 crore as on June 30, 2021 (Rs ~40,800 crore as on March 31, 2021). From being largely corporate focused, the group has, in the recent past, started focusing on retail and MSME segments. The share of retail is expected to grow over the medium term from less than 5% as of June 30, 2021.

The scale of, and profits from, fee-based businesses has also increased in the past few fiscals. The group has an established franchise in institutional broking and investment banking and an expanding presence in the retail broking, wealth management, and asset management segments.

Assets under advice in the global wealth management business were ~Rs.168,000 crore (Rs 155,000 crore as on March 31, 2021), and assets under management (AUM) in the asset management business stood at ~Rs 92,000 crore (Rs 85,000 crore as on March 31, 2021) [~Rs 62,000 crore of mutual fund assets and ~Rs 30,000 crore of alternate assets] as on June 30, 2021. The group is among the larger players in the alternate assets space.

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

Weaknesses:

- **Asset quality remains vulnerable**

Overall stage III assets ratio rose to 7.7% as on March 31, 2021, compared to 5.3% as on March 31, 2020. The deterioration in asset quality in the last few years was majorly on account of wholesale segment. However, in fiscal 2021, the retail segment has also been adversely impacted on account of the pandemic. Furthermore, the group's weak assets, which include a portion of the security receipts, is higher than that of peers. Nevertheless, during the first quarter of fiscal 2022, overall stage III assets ratio improved to 5.3% due to resolution of one large account during this period.

Despite this, the asset quality of the wholesale book remains vulnerable due to its exposure to the real estate segment and stressed mid-tier borrowers in structured credit. While the group is in the process of gradually running down the wholesale book, this still contributed about 47% of the total loan book as on June 30, 2021 (47% as on March 31, 2021). Also, the wholesale loan book remains concentrated with 10 largest loans constituting 35% of the wholesale portfolio. Nevertheless, the group has reasonable collateral cover for its wholesale loans, and has also built strong recovery capabilities.

Given the current macro environment, asset quality of the exposures to retail credit (retail mortgage, loans against property [LAP] and loans to MSME sectors) has deteriorated in fiscal 2021. However, stage III assets in the retail segment are well below those in the wholesale segment and the retail book has more granular exposure.

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

- **Lower profitability than peers**

Profitability has been lower than those of other large, financial sector groups. It was significantly impacted in the last few quarters owing to higher credit costs.

The group reported a net profit of Rs 254 crore in fiscal 2021 supported by one-off income as compared to a loss of Rs 2,044 crores in fiscal 2020. Consequently, return on assets (annualised) and return on equity (annualised) improved to 0.5% and 3.0%, respectively, in fiscal 2021 (-3.4% and -23.7%, respectively, in fiscal 2020). Further, with continued provisioning, the provision coverage ratio has improved to 47% as on March 31, 2021. During the first quarter of fiscal 2022, the group reported a net profit of Rs 18 crore after reducing wealth management shareholder's profit of Rs 41 crore as compared to loss of Rs 245 crore same period last year.

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

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

Liquidity: Adequate

As a policy, the group maintains a liquidity cushion of 9-10% of the balance sheet. There was a liquidity cushion (including cash, liquid investments, and treasury assets) of around Rs 2,250 crore and unutilised bank lines of around Rs 500 crore as on July 31, 2021. The group also has other liquid assets (investments, securities-based lending book), which can be accessed if necessary; these stood at around Rs 2,700 crore. As on July 31, 2021, the overall liquidity was adequate to meet the debt obligation of around Rs 5,272 crore that was due over the next few months until January 31, 2022. The maturity profile of assets and liabilities continue to be well-matched.

Outlook: Negative

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

Rating Sensitivity factors

Upward factors

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

Downward factors

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

About the Group

Edelweiss Finance and Investments Ltd (EFIL) is a non-deposit taking non-banking financial company registered with the Reserve Bank of India (RBI). EFIL's product portfolio comprises of loans against securities, ESOP financing, margin trading financing and IPO financing. As on March 31, 2021, the company had assets of Rs 2,069 crore.

EFIL reported a profit after tax (PAT) of Rs 14.4 crore on total income of Rs 201 crore for fiscal 2021, against a profit of Rs 18.4 crore on total income of Rs 149 crore for fiscal 2020.

The Edelweiss group comprised 48 companies as on March 31, 2021. The number of companies has come down from 74 as on March 31, 2016 and is expected to come down further over the next few quarters (subject to requisite approvals). The group had 234 offices (including ten international offices in six locations) in around 136 cities as on June 30, 2021. Furthermore, as a part of streamlining its operating structure, the group has restructured the businesses into three verticals: credit, advisory and insurance.

The group has a presence across various financial services businesses. These businesses include loans to corporates and individuals, mortgage finance, including LAPs and small-ticket housing loans, MSME finance, agricultural credit including commodity sourcing and distribution, institutional and retail equity broking, corporate finance and advisory, wealth management, third-party financial products distribution, alternative and domestic asset management, and life and general insurance. In addition, the BMU focuses on liquidity and asset-liability management.

In fiscal 2021, the group's PAT was Rs 254 crore on total income of Rs 10,849 crore against a net loss of Rs 2,044 crore and total income of Rs 9,603 crore in fiscal 2020. During first quarter of fiscal 2022, the group reported a net profit of Rs 18 crore on total income of Rs 1,649 crore as compared to net loss of Rs 245 crore and total income of Rs 1,920 crore in first quarter of fiscal 2021.

Key financial indicators: EFSL (Consolidated)

As on/For period ended June 30		2021	2020
Total assets	Rs crore	45015	51182
Total income	Rs crore	1649	1920
PAT (before minority interest)	Rs crore	25	-264
PAT (after minority interest)	Rs crore	18	-245
Stage III assets	%	5.3	2.3
Gearing	Times	~3	~4
Return on assets	%	0.04	-0.5

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs crore)	Complexity Level	Rating assigned with outlook
NA	Proposed Long-Term Bank Facility^	NA	NA	NA	200	NA	CRISIL AA-/Negative
NA	Non-Convertible Debentures#@	NA	NA	NA	278.1	Simple	CRISIL AA-/Negative
NA	Long-Term Principal-Protected Market-Linked Debentures#	NA	NA	NA	382.2	Highly complex	CRISIL PP-MLD AA-r/Negative
NA	Commercial Paper Programme (IPO Financing)	NA	NA	7 to 30 Days	3000	Simple	CRISIL A1+
NA	Commercial Paper Programme	NA	NA	7-365 days	1000	Simple	CRISIL A1+
NA	Debentures#	NA	NA	NA	510	Simple	CRISIL AA-/Negative

NA	Short-Term Principal-Protected Market-Linked Debentures #	NA	NA	NA	300	Highly complex	CRISIL PP-MLD A1+r
NA	Short-Term Principal-Protected Market-Linked Debentures Aggregating#	NA	NA	NA	71.5	Highly complex	CRISIL PP-MLD A1+r
NA	Preference Shares#	NA	NA	NA	73.62	Complex	CRISIL AA-/Negative
INE918K04018	Preference Shares	19-Jul-13	NA	18-Jul-23	31.38	Complex	CRISIL AA-/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	26-Aug-19	NA	24-Feb-22	0.50	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	26-Aug-19	NA	26-Dec-22	0.50	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	16-Sep-19	NA	24-Feb-22	1.00	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	16-Sep-19	NA	26-Dec-22	1.00	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	17-Sep-19	NA	26-Dec-22	0.50	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	25-Sep-19	NA	26-Dec-22	1.45	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	27-Sep-19	NA	26-Dec-22	1.27	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	16-Oct-19	NA	26-Dec-22	0.81	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	18-Oct-19	NA	26-Dec-22	0.13	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	30-Oct-19	NA	26-Dec-22	0.1	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	26-Nov-19	NA	24-Feb-22	1.37	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	28-Nov-19	NA	24-Feb-22	1.17	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	28-Nov-19	NA	26-Dec-22	1.46	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	26-Nov-19	NA	26-Dec-22	0.48	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	16-Dec-19	NA	26-Dec-22	0.34	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FL7	Long-Term Principal-Protected Market-Linked Debentures	26-Dec-19	NA	28-Dec-26	1	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-	24-Dec-19	NA	24-Feb-22	0.75	Highly	CRISIL PP-MLD

	Protected Market-Linked Debentures					complex	AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	26-Dec-19	NA	28-Mar-22	2	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	16-Dec-19	NA	24-Feb-22	0.1	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	24-Dec-19	NA	26-Dec-22	0.28	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	30-Dec-19	NA	28-Mar-22	0.4	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FM5	Long-Term Principal-Protected Market-Linked Debentures	26-Dec-19	NA	26-Jun-23	2	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FM5	Long-Term Principal-Protected Market-Linked Debentures	11-Feb-20	NA	26-Jun-23	0.84	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	11-Feb-20	NA	24-Feb-22	0.1	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	11-Feb-20	NA	28-Mar-22	0.48	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	20-Feb-20	NA	24-Feb-22	1.06	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FL7	Long-Term Principal-Protected Market-Linked Debentures	20-Feb-20	NA	28-Dec-26	0.1	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	20-Feb-20	NA	28-Mar-22	1.5	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FW4	Long-Term Principal-Protected Market-Linked Debentures	26-Feb-20	NA	6-Feb-23	15	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	2-Mar-20	NA	28-Mar-22	0.59	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FM5	Long-Term Principal-Protected Market-Linked Debentures	2-Mar-20	NA	26-Jun-23	0.25	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FW4	Long-Term Principal-Protected Market-Linked Debentures	28-Feb-20	NA	6-Feb-23	0.5	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FW4	Long-Term Principal-Protected Market-Linked Debentures	23-Mar-20	NA	6-Feb-23	0.5	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FW4	Long-Term Principal-Protected Market-Linked Debentures	5-Mar-20	NA	6-Feb-23	1	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FL7	Long-Term Principal-Protected Market-Linked Debentures	1-Jan-20	NA	28-Dec-26	9.98	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	7-Jan-20	NA	28-Mar-22	2.73	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	7-Jan-20	NA	24-Feb-22	0.3	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	3-Jan-20	NA	26-Dec-22	0.9	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FL7	Long-Term Principal-Protected Market-Linked Debentures	7-Jan-20	NA	28-Dec-26	0.3	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-	7-Jan-20	NA	26-Dec-22	0.35	Highly	CRISIL PP-MLD

	Protected Market-Linked Debentures					complex	AA-r/Negative
INE918K07FM5	Long-Term Principal-Protected Market-Linked Debentures	7-Jan-20	NA	26-Jun-23	1.78	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FM5	Long-Term Principal-Protected Market-Linked Debentures	14-Jan-20	NA	26-Jun-23	0.45	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	14-Jan-20	NA	28-Mar-22	0.75	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	14-Jan-20	NA	24-Feb-22	0.1	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FM5	Long-Term Principal-Protected Market-Linked Debentures	20-Feb-20	NA	26-Jun-23	1.09	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FX2	Long-Term Principal-Protected Market-Linked Debentures	28-Feb-20	NA	31-Mar-22	1.98	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FW4	Long-Term Principal-Protected Market-Linked Debentures	7-Feb-20	NA	6-Feb-23	6.4	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FK9	Long-Term Principal-Protected Market-Linked Debentures	10-Feb-20	NA	28-Mar-22	0.54	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FX2	Long-Term Principal-Protected Market-Linked Debentures	7-Feb-20	NA	31-Mar-22	5	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FH5	Long-Term Principal-Protected Market-Linked Debentures	10-Feb-20	NA	24-Feb-22	0.3	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	10-Feb-20	NA	26-Dec-22	0.23	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FM5	Long-Term Principal-Protected Market-Linked Debentures	10-Feb-20	NA	26-Jun-23	1.04	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FX2	Long-Term Principal-Protected Market-Linked Debentures	5-Mar-20	NA	31-Mar-22	2	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07GA8	Long-Term Principal-Protected Market-Linked Debentures	9-Mar-20	NA	30-Jul-21	2.5	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07GB6	Long-Term Principal-Protected Market-Linked Debentures	17-Apr-20	NA	12-Apr-30	1.3	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FJ1	Long-Term Principal-Protected Market-Linked Debentures	24-Apr-20	NA	26-Dec-22	0.2	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FL7	Long-Term Principal-Protected Market-Linked Debentures	24-Apr-20	NA	28-Dec-26	0.9	Highly complex	CRISIL PP-MLD AA-r/Negative
NA#	Long-Term Principal-Protected Market-Linked Debentures	NA	NA	NA	750	Highly complex	CRISIL PP-MLD AA-r/Negative
INE918K07FU8	Non-Convertible Debentures@	5-Feb-20	NA	5-Feb-30	26.3405	Simple	CRISIL AA-/Negative
INE918K07FR4	Non-Convertible Debentures@	5-Feb-20	NA	5-Feb-25	44.3931	Simple	CRISIL AA-/Negative
INE918K07FV6	Non-Convertible Debentures@	5-Feb-20	NA	5-Feb-30	27.6336	Simple	CRISIL AA-/Negative
INE918K07FT0	Non-Convertible Debentures@	5-Feb-20	NA	5-Feb-25	5.8288	Simple	CRISIL AA-/Negative
INE918K07FS2	Non-Convertible Debentures@	5-Feb-20	NA	5-Feb-25	34.3198	Simple	CRISIL AA-/Negative
INE918K07FQ6	Non-Convertible Debentures@	5-Feb-20	NA	5-Feb-23	7.8121	Simple	CRISIL AA-/Negative
INE918K07FP8	Non-Convertible	5-Feb-20	NA	5-Feb-23	27.3398	Simple	CRISIL

	Debentures@						AA-/Negative
INE918K07FO1	Non-Convertible Debentures@	5-Feb-20	NA	5-Aug-21	17.1383	Simple	CRISIL AA-/Negative
INE918K07FN3	Non-Convertible Debentures@	5-Feb-20	NA	5-Aug-21	31.1068	Simple	CRISIL AA-/Negative

#Yet to be issued

@public issue of retail NCDs

^Interchangeable between short term and long term

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
ECL Finance Ltd	Full	Subsidiary
Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
Edelweiss Housing Finance Ltd	Full	Subsidiary
Edelweiss Retail Finance Ltd	Full	Subsidiary
Edel Finance Company Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary
EdelGive Foundation	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Ltd	Full	Subsidiary
Edelweiss General Insurance Company Ltd	Full	Subsidiary
Allium Finance Private Ltd	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
ECap Equities Ltd	Full	Subsidiary
Edel Investments Ltd	Full	Subsidiary
EC Commodity Ltd	Full	Subsidiary
Aster Commodities DMCC	Full	Subsidiary
EC International Ltd	Full	Subsidiary
Edel Land Ltd	Full	Subsidiary
Edelweiss Comtrade Ltd	Full	Subsidiary
Edelweiss Multi Strategy Fund Advisors LLP	Full	Subsidiary
Edelweiss Gallagher Insurance Brokers Ltd	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
India Credit Investment Fund II	Full	Subsidiary
EAAA LLC	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
Edelweiss Resolution Advisors LLP	Full	Subsidiary
EW Special Opportunities Advisors LLC	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Edelweiss International (Singapore) Pte. Ltd	Full	Subsidiary
Edelweiss Capital Services Ltd	Full	Subsidiary
Edelweiss Securities Limited	Proportionate	Associate
Edelweiss Finance & Investments Limited	Proportionate	Associate
Edelweiss Broking Limited	Proportionate	Associate
Edelweiss Custodial Services Limited	Proportionate	Associate
Edelweiss Financial Services Inc	Proportionate	Associate
Edelweiss Investment Advisors Private Limited	Proportionate	Associate
Edelweiss Securities (Hong Kong) Private Limited	Proportionate	Associate
Edelweiss Financial Services (UK) Limited	Proportionate	Associate
Edelweiss Securities (IFSC) Limited	Proportionate	Associate
ESL Securities Limited	Proportionate	Associate

Annexure - Rating History for last 3 Years

Instrument	Current			2021 (History)		2020		2019		2018		Start of 2018
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	200.0	CRISIL AA-/Negative	02-08-21	CRISIL AA-/Negative	07-09-20	CRISIL AA-/Negative	13-12-19	CRISIL AA-/Stable	19-03-18	CRISIL AA/Stable	CRISIL AA/Stable
			--		--	04-06-20	CRISIL AA-/Negative	04-10-19	CRISIL AA-/Stable		--	--
			--		--	25-05-20	CRISIL AA-/Negative	31-07-19	CRISIL AA-/Negative		--	--
			--		--		--	20-07-19	CRISIL		--	--

									AA/Negative			
			--		--		--	29-03-19	CRISIL AA/Stable		--	--
Commercial Paper	ST	1000.0	CRISIL A1+	02-08-21	CRISIL A1+	07-09-20	CRISIL A1+	13-12-19	CRISIL A1+	19-03-18	CRISIL A1+	--
			--		--	04-06-20	CRISIL A1+	04-10-19	CRISIL A1+		--	--
			--		--	25-05-20	CRISIL A1+	31-07-19	CRISIL A1+		--	--
			--		--		--	20-07-19	CRISIL A1+		--	--
			--		--		--	29-03-19	CRISIL A1+		--	--
Commercial Paper Programme(IPO Financing)	ST	3000.0	CRISIL A1+	02-08-21	CRISIL A1+	07-09-20	CRISIL A1+	13-12-19	CRISIL A1+		--	--
			--		--	04-06-20	CRISIL A1+	04-10-19	CRISIL A1+		--	--
			--		--	25-05-20	CRISIL A1+	31-07-19	CRISIL A1+		--	--
Non Convertible Debentures	LT	1010.0	CRISIL AA-/Negative	02-08-21	CRISIL AA-/Negative	07-09-20	CRISIL AA-/Negative	13-12-19	CRISIL AA-/Stable	19-03-18	CRISIL AA/Stable	CRISIL AA/Stable
			--		--	04-06-20	CRISIL AA-/Negative	04-10-19	CRISIL AA-/Stable		--	--
			--		--	25-05-20	CRISIL AA-/Negative	31-07-19	CRISIL AA-/Negative		--	--
			--		--		--	20-07-19	CRISIL AA-/Negative		--	--
			--		--		--	29-03-19	CRISIL AA/Stable		--	--
Preference Shares	LT	105.0	CRISIL AA-/Negative	02-08-21	CRISIL AA-/Negative	07-09-20	CRISIL AA-/Negative	13-12-19	CRISIL AA-/Stable	19-03-18	CRISIL AA/Stable	CRISIL AA/Stable
			--		--	04-06-20	CRISIL AA-/Negative	04-10-19	CRISIL AA-/Stable		--	--
			--		--	25-05-20	CRISIL AA-/Negative	31-07-19	CRISIL AA-/Negative		--	--
			--		--		--	20-07-19	CRISIL AA-/Negative		--	--
			--		--		--	29-03-19	CRISIL AA/Stable		--	--
Short Term Debt	ST		--		--		--		--		--	CRISIL A1+
Short Term Debt (Including Commercial Paper)	ST		--		--		--		--		--	CRISIL A1+
Short Term Debt Issue	ST		--		--		--		--		--	Withdrawn
Short Term Principal Protected Market Linked Debentures	ST	371.5	CRISIL PPMLD A1+ r	02-08-21	CRISIL PPMLD A1+ r	07-09-20	CRISIL PPMLD A1+ r	13-12-19	CRISIL PPMLD A1+ r	19-03-18	CRISIL PPMLD A1+ r	CRISIL PPMLD A1+ r
			--		--	04-06-20	CRISIL PPMLD A1+ r	04-10-19	CRISIL PPMLD A1+ r		--	--
			--		--	25-05-20	CRISIL PPMLD A1+ r	31-07-19	CRISIL PPMLD A1+ r		--	--
			--		--		--	20-07-19	CRISIL PPMLD A1+ r		--	--
			--		--		--	29-03-19	CRISIL PPMLD A1+ r		--	--
Long Term Principal Protected Market Linked Debentures	LT	1213.84	CRISIL PPMLD AA- r /Negative	02-08-21	CRISIL PPMLD AA- r /Negative	07-09-20	CRISIL PPMLD AA- r /Negative	13-12-19	CRISIL PPMLD AA- r /Stable		--	--
			--		--	04-06-20	CRISIL PPMLD AA- r /Negative	04-10-19	CRISIL PPMLD AA- r /Stable		--	--
			--		--	25-05-20	CRISIL PPMLD AA- r /Negative	31-07-19	CRISIL PPMLD AA- r /Negative		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility^{&}	200	CRISIL AA-/Negative

&Interchangeable between short term and long term

Criteria Details

Links to related criteria
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

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Ref No:2411/STCL/DT/2021-22

Date: 08th September, 2021

To,
The Bombay Stock Exchange,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

Dear Sir / Madam,

Sub: Issue of secured Redeemable, Non-Convertible Debentures ("NCD") of Rs.75 Crores ("NCD Issue"), to be issued by Edelweiss Finance & Investments Limited.

We, SBICAP Trustee Company Limited (STCL) the debenture trustee to the above- mentioned forthcoming issue under umbrella Debenture Trust Deed dated 21st November,2019 (DTD) state as follows:

- 1) We have examined documents pertaining to the creation of charge over assets of Issuer*.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, WE CONFIRM that:
 - a) The Issuer has created charge over its assets in favour of debenture trustee as per terms of offer document or private placement memorandum/ information memorandum and debenture trustee agreement *.
 - b) Issuer has executed the debenture trust deed as per terms of offer document or private placement memorandum/ information memorandum and debenture trustee agreement*.
 - c) The Issuer has given an undertaking that charge shall be registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI), Depository etc., as applicable, within 30 days of creation of charge*.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

* Kindly note that Company has created upfront Security under umbrella DTD dated 21st November, 2019.

Yours faithfully,
For SBICAP Trustee Company Limited


Authorised Signatory**Place: Mumbai**
www.sbicaptrustee.com

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 +91 22 4302 5555
 +91 22 2204 0465
 corporate@sbicaptrustee.com



Corporate Office :
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122, Dinshaw Vachha Road,
Churchgate, Mumbai,
Pin - 400 020.

Registered Office :
202, Maker Tower E,
Cuffe Parade, Mumbai - 400 005.
CIN : U65991MH2005PLC158386

A Group Company of SBI

Ref.no.2412/STCL/DT/2021-22**08th September,2021**

To,
The Bombay Stock Exchange,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

Sub.: Undertaking towards the Due Diligence Certificate Annexure A dated 06th September, 2021 and Annexure B dated 08th September, 2021 under SEBI circular Ref No SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020.

Ref : Issue of Secured, Redeemable, Non-Convertible Debentures ("NCD") of Rs.75 Crores ("NCD Issue") issued by Edelweiss Finance & Investments Limited

We, SBICAP Trustee Company Limited (STCL) the debenture trustee to the above mentioned NCD Issue under umbrella Debenture Trust Deed dated 21st November,2019 (DTD) states as under:

That the Due Diligence Certificate issued by us as per Annexure A ref no.2364/STCL/DT/2021-22 dated 06th September,2021 and Annexure B ref no. 2411/STCL/DT/2021-22 dated 08th September, 2021 in respect to SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 are valid for the allotments stated below:

Company Name	Product code/Option	Allotment date
Edelweiss Finance & Investments Limited	I3I102/A	09 th September,2021

Yours faithfully,
For SBICAP Trustee Company Limited



Authorised Signatory
Place: Mumbai



Ref.no 2364/STCL/DT/2021-2206th September, 2021

To,
The Bombay Stock Exchange,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

SUB.: Issue of Secured, Redeemable, Non-Convertible Debentures ("NCD") of Rs.75 Crores ("NCD Issue"), to be issued by Edelweiss Finance & Investments Limited.

We, SBICAP Trustee Company Limited (STCL) the debenture trustee to the above mentioned forthcoming issue under umbrella Debenture Trust Deed dated 21st November, 2019 (DTD) state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications*.
- 2) On the basis of such examination and discussions with the Issuer, its directors and other officers, other agencies and on independent verification of various relevant documents, reports and certifications, WE CONFIRM that:
 - a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued*.
 - b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies)*.
 - c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities*.
 - d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security which are in confirmation with the clauses of debenture trustee agreement*.
 - e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum*.
 - f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application*.

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Pin - 400 020.

Registered Office :

202, Maker Tower E,
Cuffe Parade, Mumbai - 400 005.
CIN : U65991MH2005PLC158386



We have satisfied ourselves about the ability of the Issuer to service the debt securities*.

* Kindly note that Company has created upfront Security under registered DTD dated 21st November, 2019.

For SBICAP Trustee Company Limited

Daidu



Group Head Debenture Trustee & Company Secretary
Place: Mumbai