Strong. Stable. Sustainable

Edelweiss
Ideas create, values protect

ANNUAL REPORT 2018-2019

Contents

The performance and business numbers herein are regrouped/reclassified based on management estimates and may not directly correspond to published data. Ratios are derived based on consolidated financials. Some numbers in this report have been rounded off, for ease of representation. The entrepreneurs have been featured in our Annual Report for their inspiring work. Any specific products, services, trade names, rights, attributes, personalities and brands described in this document belong to the respective owners. References have been made based on publically available information. These are merely illustrative in nature and not factual and do not imply endorsement, recommendation or favouring of or by Edelweiss. Readers of the annual report are advised to independently verify facts and information.

Strong. Stable. Sustainable

India has scripted a remarkably robust and resilient growth story over the last few decades - one that has been built on a strong foundation of reforms, fueled by stable economic progress and sustained by long-term demand. The new India paints a promising picture - a young populace, increasing opportunities and an improved quality of life. While we aren't insulated from global headwinds, the domestic tailwinds are powerful enough to ensure that we make steadfast progress over the next few years.

Edelweiss is named after the alpine flower that can withstand harsh terrains and climatic conditions. True to our name, we find resonance in India's resilience. Fired by big ideas, charting a path in liberalised India, we built an institution on the foundation of strong values and the grit of our people. Born in the mid-nineties, not backed by any major conglomerate, on the strength of our own convictions, we started with a corpus of around ₹10 million, growing to ₹87.15 billion in under 24 years. With a calibrated approach to business, we navigate short-term vagaries, while resolutely pursuing long-term value creation.

As we affirm our Strong, Stable and Sustainable commitment through the pages of this Annual Report, we take inspiration from entrepreneurs who have mirrored the same principles, while building their own enterprise. Each one of them self-made, devoid of institutional lineage have found their place in the sun. We raise a toast to their indomitable spirit, sense of purpose and strong conviction and remain inspired to create a better tomorrow, one filled with promise.

Consistent Track Record

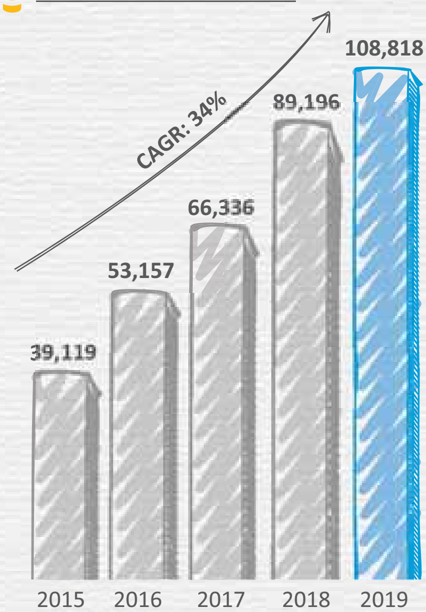
(In ₹ million except as indicated)

Year Ended March 31	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Income	108,818	89,196	66,336	53,157	39,119	25,555	21,840	16,707	14,289	9,778
Total Expenditure	91,380	75,707	56,756	46,969	33,839	22,040	19,247	14,720	10,789	6,450
Profit Before Tax	17,437	13,489	9,580	6,188	5,280	3,515	2,593	1,987	3,500	3,328
Tax Expenses	6,993	5,119	3,947	2,354	2,017	1,346	881	681	1,031	879
Profit After Tax	9,952	8,632	6,093	4,144	3,287	2,202	1,785	1,277	2,330	2,292
Paid up Equity Capital	888	871	833	814	792	769	719	757	752	375
Net Worth*	87,150	78,263	52,879	43,717	35,314	32,558	26,909	28,748	25,554	24,706
Diluted EPS (₹) (FV ₹1)#	11.09	10.12	6.92	4.85	3.88	2.85	2.31	1.66	3.00	2.94
BVPS (₹) (FV ₹1)#	86.48	79.06	52.00	45.14	39.92	37.57	32.13	34.80	30.56	30.04

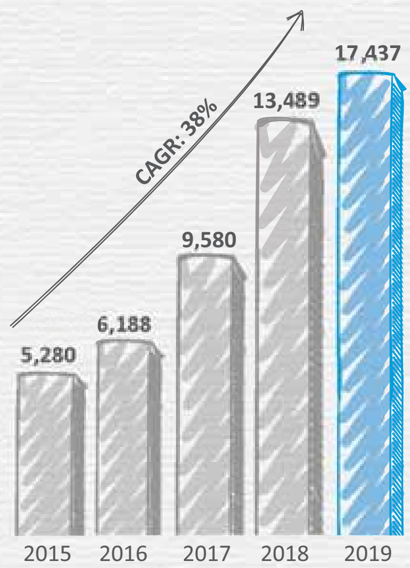
Adjusted for Corporate Actions
*Net Worth including minority

Previous years' figures have been regrouped wherever necessary
FY18, FY19 numbers are as per IndAs and FY10 to FY17 are as per IGAAP
CAGR depicted in the charts is for the 5 year period FY14 to FY19

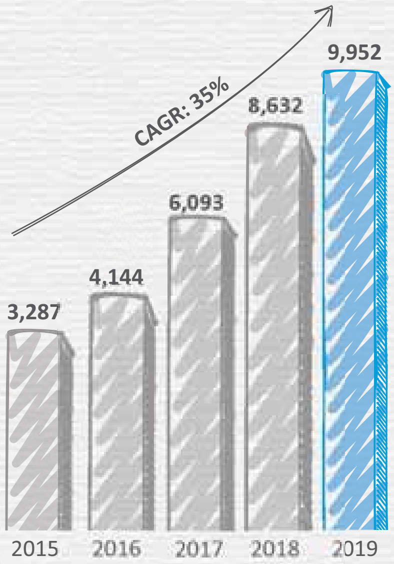
Total Income (₹ million)



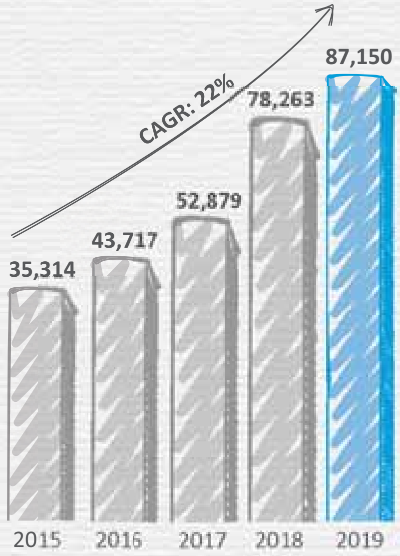
Profit Before Tax (₹ million)



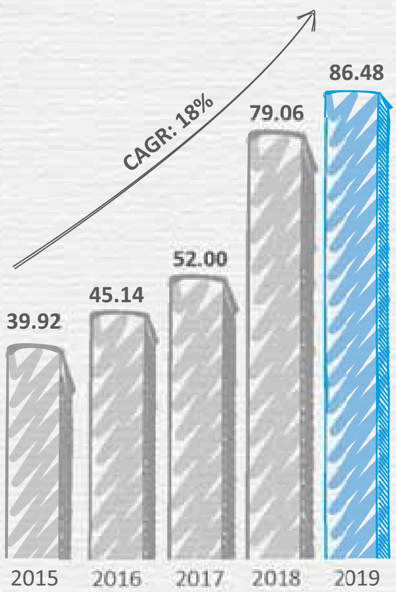
Profit After Tax (₹ million)



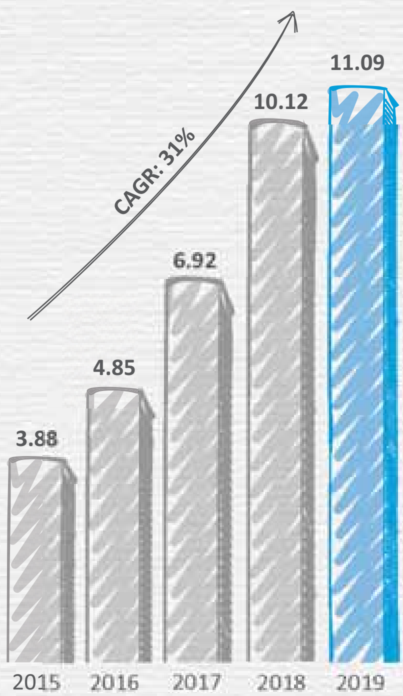
Net Worth* (₹ million)



Book Value Per Share (₹) (FV ₹1)#



Diluted Earnings Per Share (₹) (FV ₹1)#



FY19 Highlights

TOTAL INCOME
₹108.82
BILLION

PROFIT AFTER TAX
₹9.95
BILLION

ROA
(Ex-Insurance)
2.4%

ROE
(Ex-Insurance)
17.6%

CUSTOMER ASSETS[1]
₹2 TRILLION

All ratios are derived numbers based on consolidated financials
[1] Excluding Balance Sheet Assets, based on management estimates
[2] Ex-Treasury Assets
[3] Including provisions on standard/Stage 1 and 2 assets

NET WORTH
₹87.15
BILLION

CONSERVATIVE
DEBT TO EQUITY RATIO[2]
4.4X

DILUTED EARNINGS
PER SHARE
(FV ₹1)
₹11.09

GROSS NPA
1.87%

NET NPA
0.83%

PROVISION COVER[3]
120%

Strong Foundation

Representing wholeness, unity and harmony, the **Circle** is always anchored to a single focal point.

At Edelweiss, our guiding principles form a strong circle of influence and bind us together. Our governance framework holistically caters to the needs of the world around us, helping us positively influence both business and society. An agile business, aligned to strong values and fortified by prudent risk management form the foundation of our success.

Bound by a common sense of purpose and values, **Nand Kishore Chaudhary**, **Dr. Chandra Sankurathri** and **Sushma Bhadu**, have built solid institutions and catalyzed lasting systemic change.

Nand Kishore Chaudhary
Chairman & MD, Jaipur Rugs

From a small set up started with ₹5,000 that he borrowed from his father, Nand Kishore Chaudhary's Jaipur Rugs has grown into a globally-conscious brand with a footprint across 40 countries. With an earnest intention to enable marginalised communities to live a dignified life, he took it upon himself to provide them livelihood by nurturing their art. Notwithstanding rigid caste biases and social censures, he reached out to remote rural areas, encouraging village communities to start weaving not just rugs, but also their own lives. Based on the principles of equity, empathy and dignity, the company has impacted the lives of 40,000 rural and tribal artisans.

Dr. Chandra Sankurathri
Chairman, Sankurathri Foundation

A successful Canadian immigrant, Dr. Chandra Sankurathri abandoned a thriving career and returned to India after he lost his family to terrorism. Choosing hope over anger, he threw himself into building lives of the impoverished in the outskirts of Andhra Pradesh by founding the Sankurathri Foundation. Dedicated to providing good health and educational facilities to kids who do not have the economic means to learn, he asked them for a simple contribution of discipline and willingness to learn. Providing meals, transport, books, counselling and guidance, the foundation's schools boast of a zero drop-out rate. Instead of subsistence farmers and labourers, his students now dream to be doctors, engineers and teachers.

Sushma Bhadu
Social Worker & Sarpanch

Sushma Bhadu, a class seven dropout, belonging to the Bishnoi community in Haryana found the 'Purdah' practice restrictive and decided that the only way she could bring about societal change was to get involved in her village administration. After successfully being elected as the sarpanch of her village, she left an indelible mark on society by discarding the 'ghunghat' amidst 2,000 people from 25 neighbouring villages. From building training centers to providing education for girls, she also convinced the state government to provide drinking water access to all villagers. Under her guidance, her village won the government's Nirmal Gram Puruskar for having the best sanitary conditions, zero school-dropout rate and a better sex ratio than any other village in Haryana.

Centered by our Guiding Principles

Over the last two decades, our 13 Guiding Principles have been the principal authority that govern us and they continue to drive us in the direction of creating value for all our stakeholders. They are a blend of our ideals, culture and business ethics that ensure that the company takes the right path, for the right reasons, without compromising on the long-term vision.

We are a Thinking Organisation. We constantly bring thought to everything we do. Our clients' and our own success depends on our ability to use greater ideation and more imagination in our approach

We are Fair to our clients, employees and all stakeholders

We Take Care of our People. Our policies - in spirit and in letter - ensure transparency and equal opportunity for all. We go beyond the normal goals of attracting, recruiting, retaining and rewarding fine talent. We ensure that every individual in Edelweiss has an opportunity to achieve their fullest potential

We Operate as a Partnership, internally and externally. Though individuals are very often brilliant, we believe teamwork and collaboration always ensures a better and more balanced organisation. We also treat our clients as partners and show them the same respect and consideration that we would towards our internal team members

We Focus on the Long-Term. Though the world will change a lot in the coming years and our assumptions for the future may not hold up, we reflect on the long-term implications of our actions. Even when making short-term decisions we are aware of the long-term implications

We Focus on Growth for our clients, employees and shareholders

Our Reputation and Image is more important than any financial reward. Reputation is hard to build and even harder to rebuild. It is impacted by our ability to think for our clients, maintain confidentiality and by our adherence to our value system

We Obey and Comply with the rules of the land. We maintain the highest standard of integrity and honesty. When we are unclear we seek clarifications

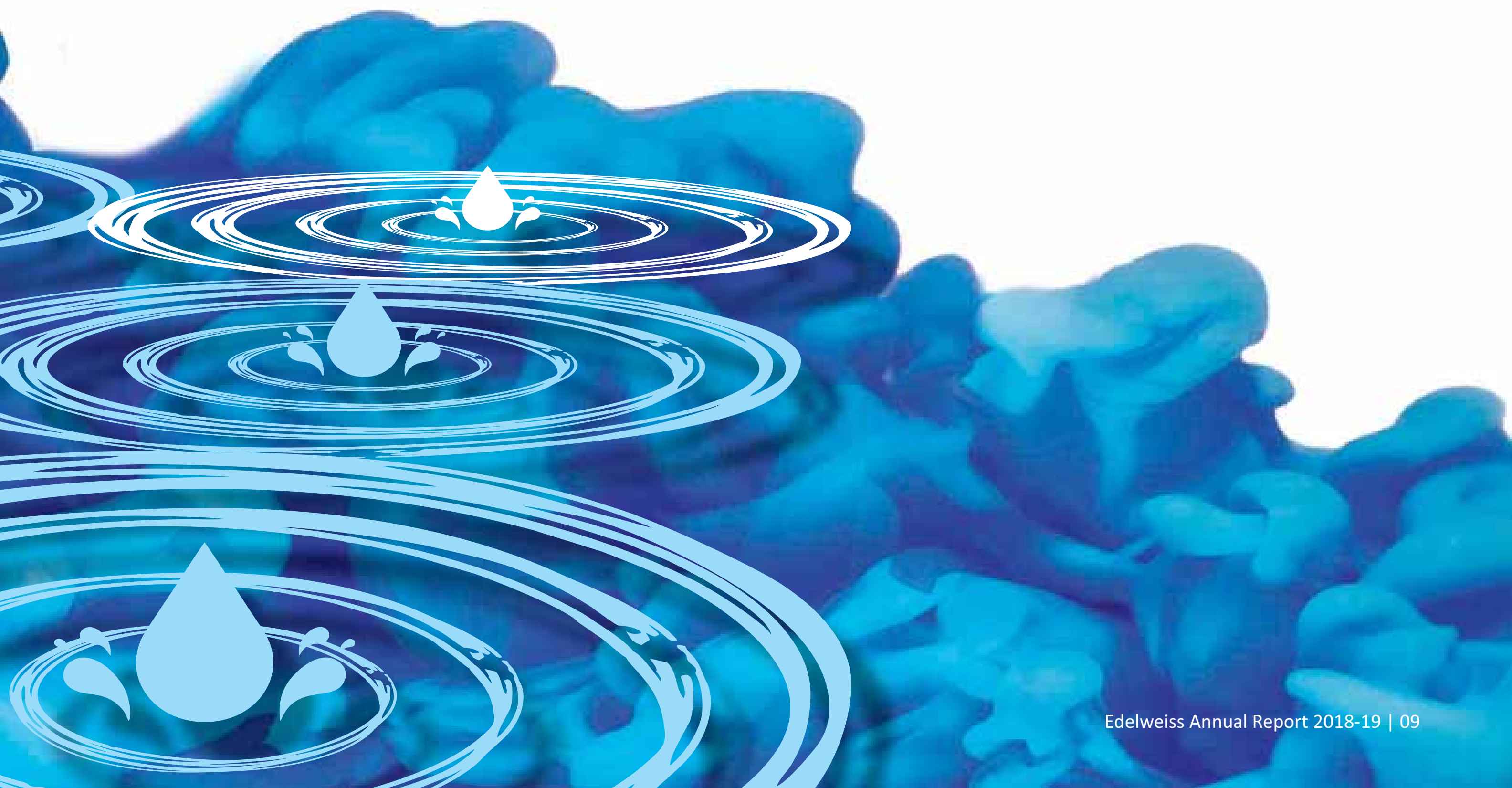
We Respect Risk. Our business is a constant challenge of balancing risk and reward. Our ability to constantly keep one eye on risk guides us through this fine balance

Our Financial Capital is a critical resource for growth. We endeavour to grow, protect and use our financial capital wisely

Our Customer Experience defines us. We strive to make it outstanding at all times

We Listen and Fulfil the customer's needs. Listening is the start of the relationship wherein we understand their needs and fulfil these with the most appropriate products and solutions

We satisfy the needs of all stakeholders; shareholders who entrust us with their capital, employees who create the organisation, customers who are the reason we exist and society which gives us the resources and opportunity to create value

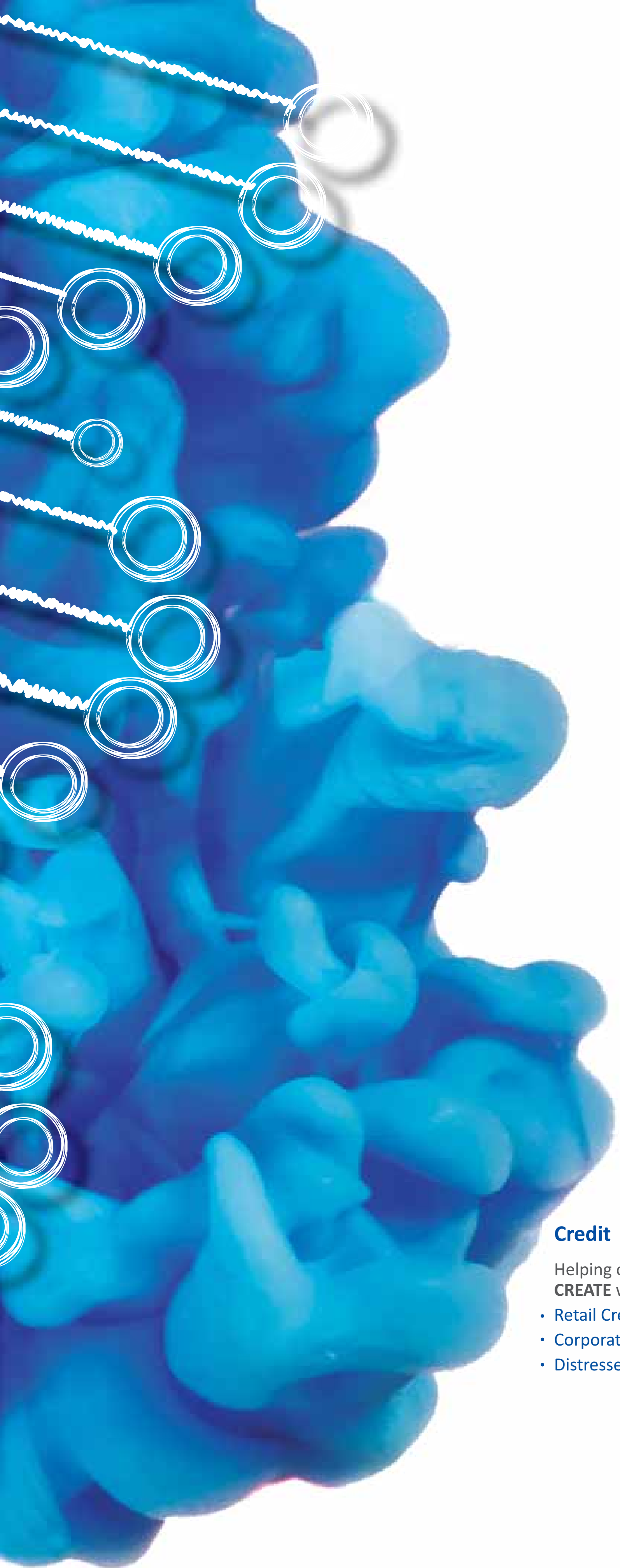


Embedded in Governance

At Edelweiss, we define good governance as discipline internally to ensure discipline externally. Committed to act in a transparent, fair and accountable manner, we continuously seek ways to enhance governance and oversight of the company and to simplify and appropriately de-risk our operations. Adopting voluntary practices that underline the highest levels of transparency and propriety, we work hard to earn the trust and respect of our shareholders, employees, customers and the communities we serve every single day.

Tenets of our Corporate Governance Philosophy

- **Trust** – No compromise on ethics and integrity
- **Legitimacy** – Transparent, fair decision-making
- **Accountability** – Responsible conduct and responsiveness
- **Competence** – Simplification for enhancing effectiveness
- **Respect** – Uphold the letter and spirit of the law of the land



Corporate Governance Framework

We are committed to enhancing long-term shareholder value by creating a sustainable enterprise that delivers consistent performance.

To know more about our Corporate Governance initiatives, turn to page 42 of our Environmental Social and Governance (ESG) report

Simplicity in Structure

Strong Governance is characterised by simplicity. We espouse a structure that brings together synergistic businesses, improves agility and provides a strong foundation for scale. This enables us to move faster, adapt quickly, facilitate rapid learning and embrace the dynamic demands of our customers.

Credit

Helping our customers **CREATE** wealth

- Retail Credit
- Corporate Credit
- Distressed Credit

Advisory

Helping our customers **GROW** wealth

- Wealth Management
- Asset Management
- Capital Markets

Insurance

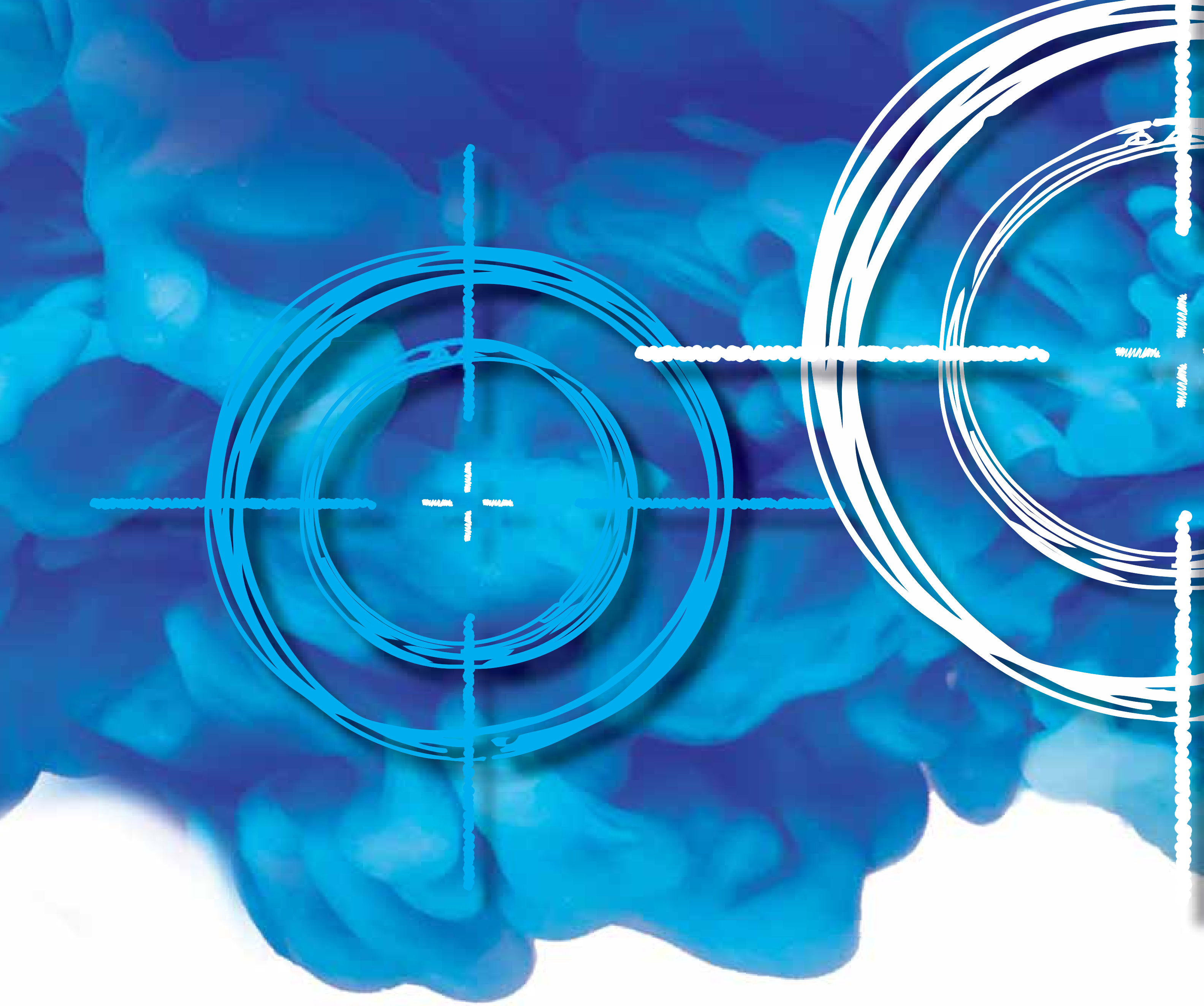
Helping our customers **PROTECT** life and wealth.

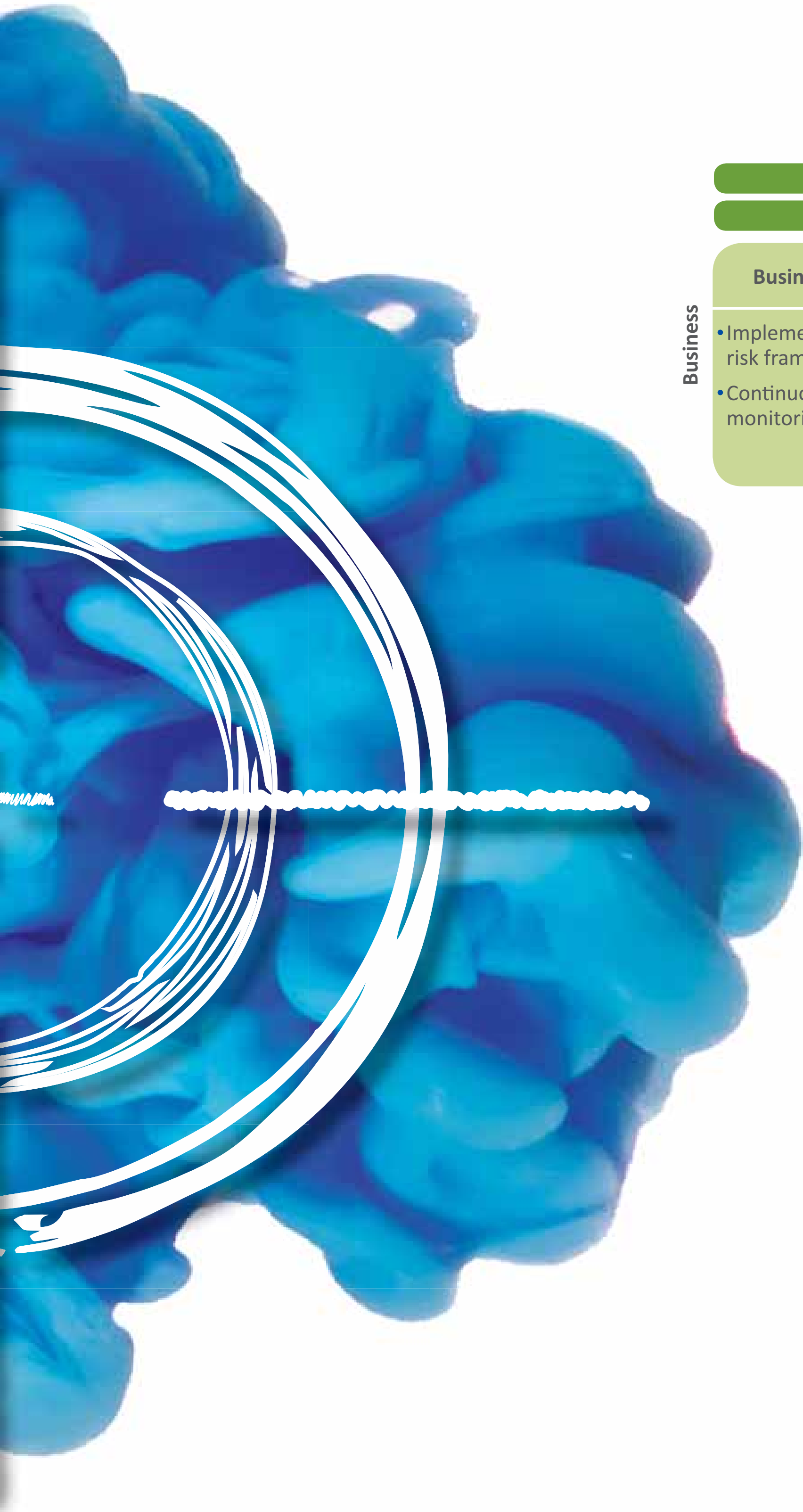
- Life Insurance
- General Insurance

Capturing a Panoramic View of Risk

At Edelweiss, tempering acceleration with necessary brakes results in a calibrated approach to risk management, which helps us hone our strategy, navigate difficult times and gives us a firm foundation for growth.

We strive to proactively anticipate vulnerabilities, through a robust risk management architecture with a strong team of risk and compliance professionals, whose invaluable expertise and foresight strengthen our business decisions.





Risk Management Framework

Oversight by Board Risk Committee

Global Risk Committee

Business

Business Risk	Group Risk	Enterprise Risk
• Implementation of risk framework • Continuous monitoring of risks	• Define organisation risk framework • Risk aggregation and monitoring • Risk culture	• Review high impact and low probability risk events • Risk aggregation and interplay assessment

Corporate Controller & Audit

Enterprise Risk Management (ERM)

Enabling us to have a Group wide holistic view of risk, our ERM defines how we set and achieve business objectives, while monitoring and controlling risks. The framework is structured around eleven risk vectors

Business Risk | Market Risk | Liquidity Risk | Credit Risk | Operational & Process Risk | Fraud Risk | Regulatory Risk | Reputation Risk | Technology Risk | People Risk | Physical & Infrastructure Risk

Strengthening the Risk Culture

- Refining and **automating risk measurement** systems ensuring increased transparency
- **Centres of Excellence** address diverse business risks in a uniform manner, delivering enhanced efficiency, safety and service to customers
- Fostering a compliance and risk consciousness amongst employees through an **awareness and recognition programme**
- Best in class risk management practices – earning us the **Golden Peacock Award** twice in three years

Stable Business

Representing steadiness and perseverance, the stability of the **Triangle** is a result of its weight being well-distributed across a wide base.

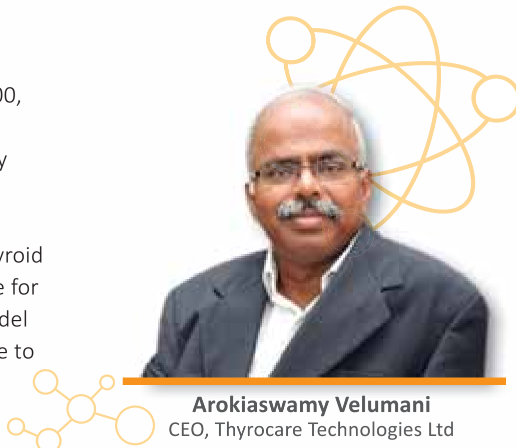
This is similar to our robust platform at Edelweiss, which derives strength from diversity. Allowing us to consistently invest in businesses that build long-term value, it also shields us from short-term market blips. Spanning three business segments – Credit, Advisory and Insurance, it enables us to offer our expertise across the entire customer lifecycle of creating, growing and protecting their financial needs and aspirations.

In much the same way, **Jagjit Singh Kapoor**, **Arokiaswamy Velumani** and **Mahesh Gupta** have consciously broadened horizons, skillfully carving niches for their businesses.

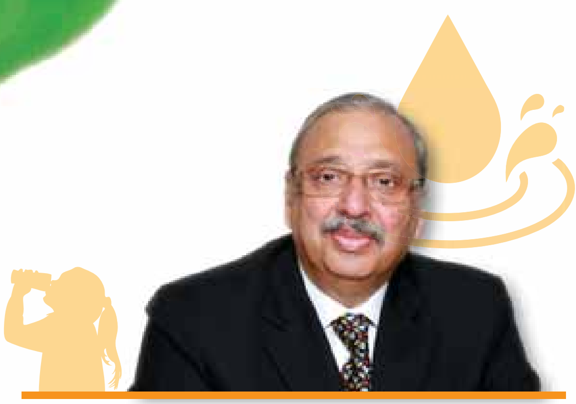
Jagjit Singh Kapoor
Founder, Kashmir Apiaries

Though his family was uprooted by the partition, Jagjit Singh Kapoor never let it come in the way of his ambition. He started with only five bee colonies and went on to become one of the world's busiest beekeeping companies with 50,000 colonies. His innovative approach of migrating bee colonies to overcome seasonal vagaries, along with an extensive network of honey collectors, ensured consistent year round supply. Focusing on exports, he diversified into marketing high-value byproducts like royal jelly and bee venom, in addition to manufacturing honey in different flavours.

Seeding an enterprise with his provident fund savings of ₹100,000, operating out of a 200 sq.ft. room, Velumani went on to create Thyrocare, which has grown to a ₹30 billion business and is today the world's largest thyroid testing enterprise. While its growth catapulted on the back of a robust logistics system and sturdy IT infrastructure, over the years, it branched out into other non-thyroid diagnostics. Today, only 28% of the samples handled by them are for thyroid tests. Powered by an operating expense led business model that is based on long-term partnerships, Thyrocare has been able to make preventive healthcare diagnostics affordable for all.



Arokiaswamy Velumani
CEO, Thyrocare Technologies Ltd



Mahesh Gupta
Chairman, Kent RO Systems

Dismayed at the poor quality of drinking water that had his children battling jaundice, Mahesh Gupta decided to take matters in his own hands. Tinkering with reverse osmosis technology, he designed his own water filtration system. Realising that his home filter prototype could be useful to others too, he set up Kent RO Systems, with a seed capital of ₹500,000. From finding a few takers in the initial years, to manufacturing around 450,000 purifiers with a turnover of close to ₹9 billion, Kent RO Systems today has 40% share of the market. Focusing on a strong servicing network and diversified product lines, they also branched into the small kitchen appliance segment with products like rice cookers, turbo blenders and more.

Building a Diversified Business Model

At Edelweiss Group, the sheer might of our diversified platform ensures a stable and steady growth, averaging environmental highs and lows. With an ex-insurance Profit After Tax (PAT) CAGR of 36% over the last eight years, we will continue to calibrate as we scale up and businesses mature. A healthy equity base coupled with superior asset quality lends strength to our ₹539 billion balance sheet, while the diversified borrowings and conservative gearing demonstrate strong liquidity and liability management. Forging partnerships with some of the world's leading institutions across our businesses enables us to deliver top quality products and services to our burgeoning 1.2 million customer base. Our agile business structure helps us meet the diverse financial needs of our clients, spanning sovereign republics and corporate houses to the average urban and rural Indian households.

CREDIT

Retail Credit: Financing homes and small and medium businesses, focusing on the self-employed

Corporate Credit: Providing business loans to mid-market corporates

Distressed Credit: Unlocking value and creating jobs in stalled projects through our Asset Reconstruction business

ADVISORY

Wealth Management: Serving India's wealthiest and affluent

Asset Management: Delivering private credit products and mutual funds for institutions and individuals, both domestic and global

Capital Markets: Advising and meeting the capital needs of companies, largely focusing on the mid-market segment

INSURANCE

Life Insurance: Protecting life and wealth through our partnership with Tokio Marine, a leading global insurer

General Insurance: Offering protection of health and assets of our customers through innovative products and services

Stable Performance

Revenue

22%

₹108,818 million
FY19

₹89,196 million
FY18

Profit After Tax

15%

₹9,950 million
FY19

₹8,630 million
FY18

Profit After Tax (Ex-Insurance)

18%

₹11,930 million
FY19

₹10,110 million
FY18

Return on Equity (Ex-Insurance)

17.6%
FY19

Return on Assets (Ex-Insurance)

2.4%
FY19

Financial Health

Balance Sheet

₹539.32 billion

Net Worth

₹87.15 billion

Voluntary Liquidity Cushion

12%
of Borrowings

Comfortable Consolidated Capital Adequacy Ratio at

18%

Positive Asset Liability Management profile across durations

Conservative Gearing Debt to Equity ratio (excluding treasury assets)

4.4x
FY19

5.0x
FY18

Set to improve further with CDPQ's equity investment

Deepening our Roots in Credit

Our credit businesses continue to build a quality franchise, maintaining immaculate asset quality in spite of market headwinds. Evenly split across both retail and corporate credit, we are determined to double our credit book in the next three years and substantially scale up the retail share in it upto 70%. Committed to building a diversified credit platform, we forged a partnership with CDPQ, one of North America's largest pension fund managers, who will invest US$ 250 million over the next two years. Not only is this a validation of the quality of our book, it also provides us with enough growth capital as we go ahead. Capitalising on the highly scalable retail segment, we continue to focus on tapping the chronically underserved market via mortgages, business and home loans.

- Total Credit Book now stands at ₹435 billion (₹420 billion FY18)
- Retail Credit at 42% of Total Credit (39% FY18)
- NIM including fees improved to 8.1% (7.7% FY18)
- RoA at 2.6% (2.2% FY18)
- RoE (pre-MI) at 18.7% (18.1% FY18)
- Gross NPAs at 1.87% and Net NPAs at 0.83% with total provision cover at 120% including provisions on standard assets

Retail Credit

With a sustained growth trajectory, we look forward to building significant scale.

Retail Credit book at ₹181 billion = Corporate Credit Book at ₹181 billion

44% CAGR in Retail Credit (₹42 billion FY15)

₹181 billion FY19

Retail Footprint

163 branches in 135 cities

SME Business Expansion

108 Locations	88 Locations
FY19	FY18

Corporate Credit

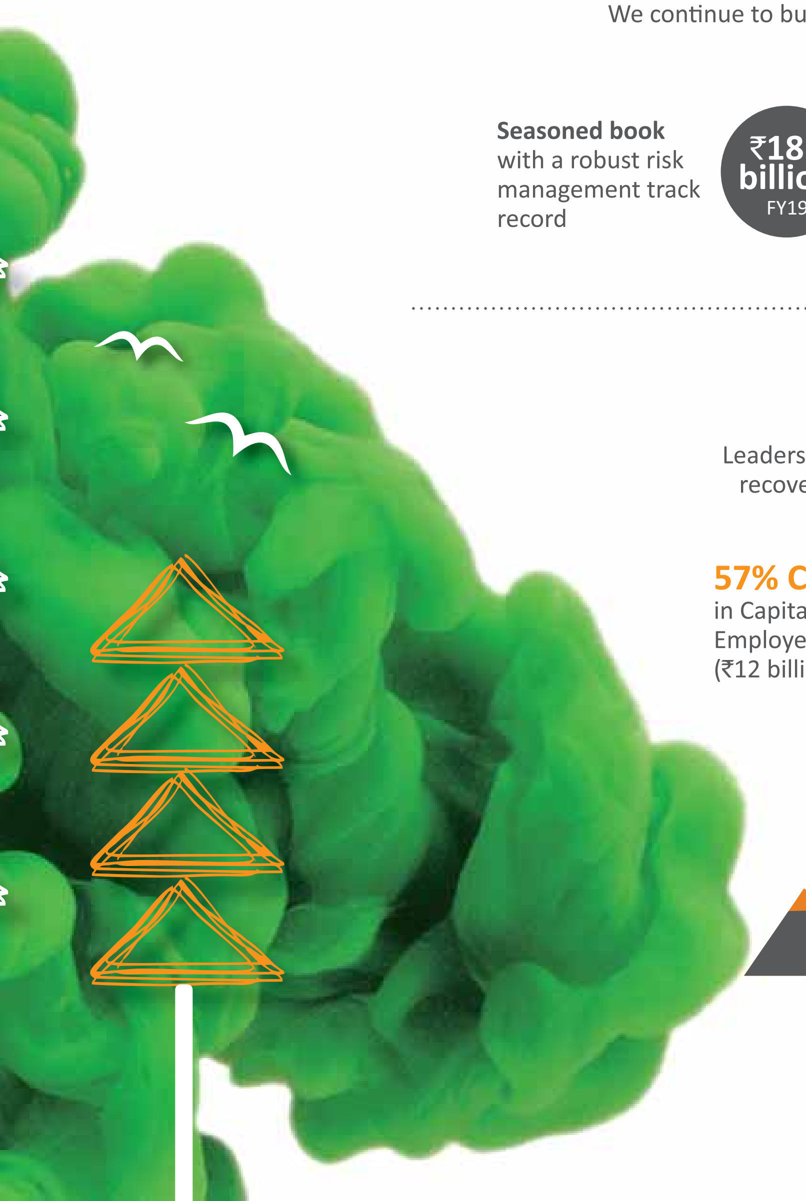
We continue to build a solid and stable credit book.

Seasoned book with a robust risk management track record

₹181 billion FY19

Focus on asset quality

Gross NPA 1.87%



Distressed Credit

Leadership position in the asset reconstruction space, with landmark recoveries and a robust pipeline of acquisitions for future growth.

57% CAGR in Capital Employed (₹12 billion FY15)

₹74 billion FY19

155% CAGR in Asset Reconstruction Company recoveries (₹11 billion FY17)

₹70 billion FY19

India's largest Asset Reconstruction Company with AuM of ₹466 billion and a market share of around 50%.

Helming a Distinguished Advisory Practice

With over ₹1.6 trillion in customer assets, our advisory businesses not only enjoy market dominance but are also capital light. With an expanding market share, they continue to bolster our strong customer franchise. Forging strategic partnerships with marquee global institutions, we continue to build expertise and accessibility for our clients. Our Wealth Management business assists 2,000 of India's wealthiest families as well as 485,000 affluent clients. Our Asset Management business continued its fund raising and deployment momentum in the Alternatives space, with one of the largest fund raises in Asia. Backed by incisive research capabilities, our Capital Markets business addresses the funding and advisory needs of mid-market Indian companies trying to raise capital, helping them attract quality investors.

Wealth Management

We are one of India's fastest growing and among the top 3 wealth management businesses, with Assets under Advice (AuA) of over ₹1 trillion. We entered into a strategic alliance with Bank of Singapore, creating a powerful global investment proposition for our clients.

Total Assets (AuA)

₹1 trillion
FY19

₹901 billion
FY18

56% CAGR
in Assets under Advice (AuA) in Wealth Management (₹177 billion FY15)

₹1 trillion
FY19

Asset Management

With a healthy growth in Assets under Management (AuM) to ₹370 billion, the year also saw a US$ 200 million strategic investment by Allianz Investment Management in the private debt platform.

Total Assets (AuM)

27%

₹370 billion
FY19

₹292 billion
FY18

Alternative Assets (AuM)

45%

₹256 billion
FY19

₹177 billion
FY18

Largest Alternative Fund Raise in Asia in 2018 - **US$1.3 billion**, under EISAF II fund*

*Source: Prequin League Tables

Mutual Fund Investor Base

32 mutual fund schemes managed

178,000
FY19

117,800
FY18

Appointed as Asset Manager for CPSE Debt ETF by Ministry of Finance, Government of India

Capital Markets

Retained leadership position in Equity and Debt Capital market transactions and also focused on investments in the asset services businesses around clearing and custody verticals, which has led to a healthy growth in our Assets Under Custody (now at ~₹200 billion).

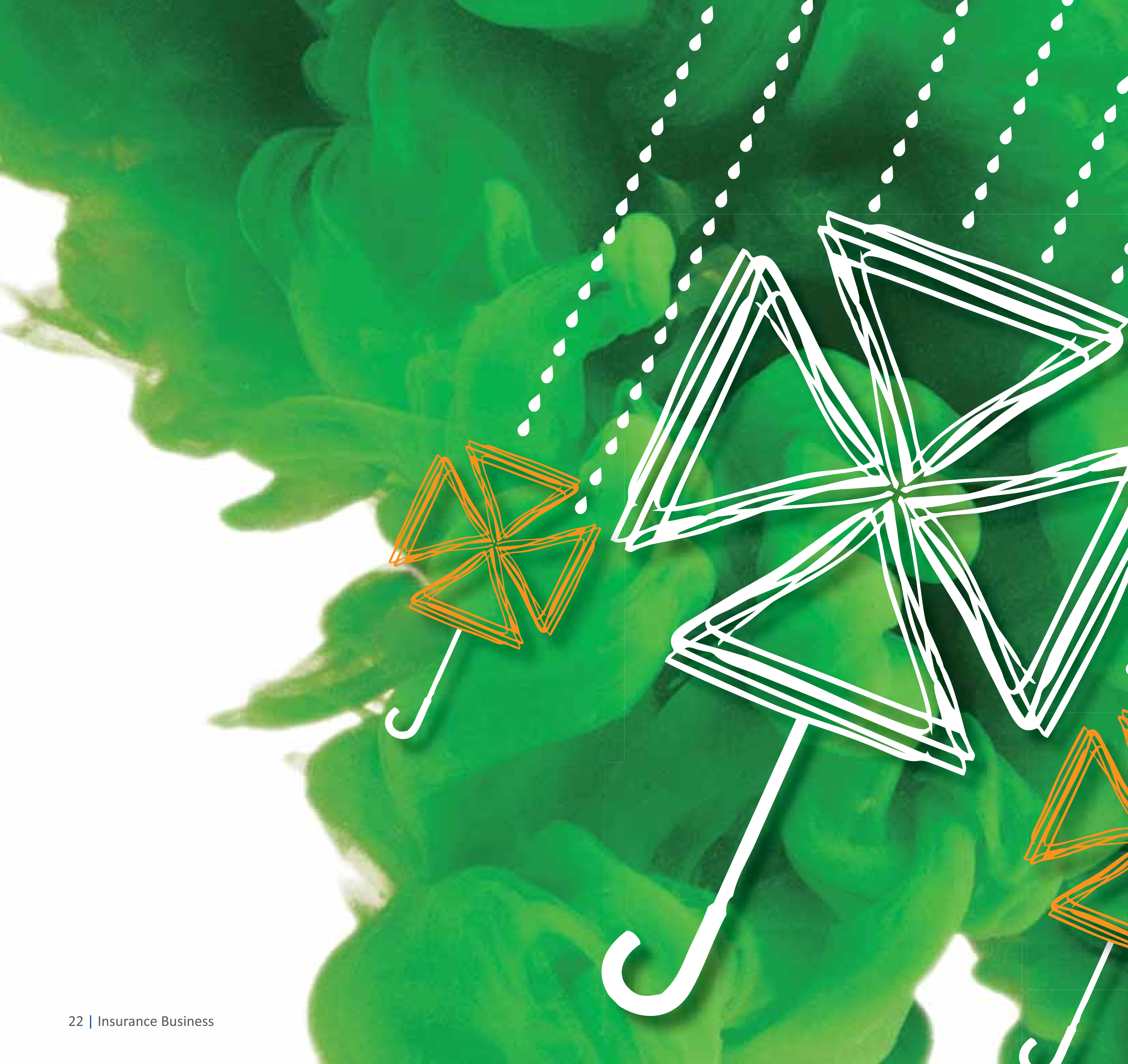
Continue to be among the leaders in Investment Banking. Handled 21 transactions in FY19

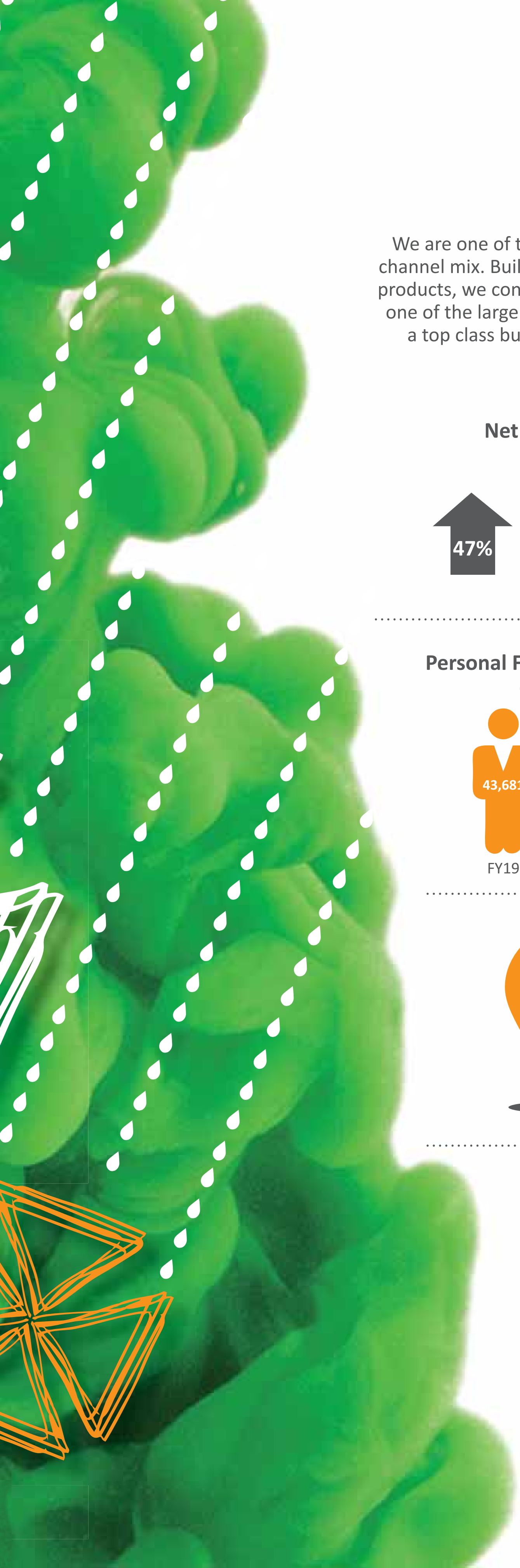
Ranked 1st in terms of IPO and QIP deals in FY19*
Leader in public issuances of bonds – lead managers to ~98% of mobilisation of funds in FY19*

*Source: Prime Database

Widening Insurance Coverage

Our insurance business group comprises Life Insurance and our newly launched General Insurance services. With a robust agency network, we offer a bouquet of insurance products across the lifecycle of our customers helping them protect their wealth, assets and life.





Life Insurance

We are one of the fastest growing life insurers in India, with a distinctive product and channel mix. Building stronger customer connect through innovative and award winning products, we continue to build a quality proposition. Our partnership with Tokio Marine, one of the large global insurers, provides us with capital and the know-how to develop a top class business, built around customer needs, which will help build scale and sustainable profitability.

Net Premium Income

47%

₹8,840 million
FY19

₹6,010 million
FY18

Collected Individual Annual Premium Equivalent

36%

₹3,400 million
FY19

₹2,510 million
FY18

Personal Finance Advisors (PFAs)

43,681
FY19

31,000
FY18

Claim settlement ratio improved

96%
FY19

95%
FY18

13th month overall persistency for FY19 at

83%

one of the best in the industry

121 branches in **93 locations** pan India

Over 81,000 policies issued in FY19

Indian Embedded Value (IEV) as on March 31, 2019*

₹15.70 billion

*As per market consistent basis

General Insurance

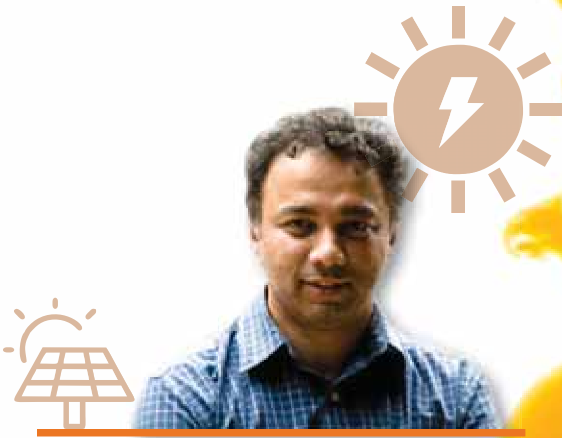
The year marks our foray into the General Insurance business. In our first year of operations, **we crossed the ₹1 billion premium mark**, with **24 product approvals**. While we leverage our Group platform for cross-selling opportunities, we persistently build multi-channel distribution partnerships.

Sustainable Organisation

Found throughout nature, the **Hexagon**, symbolic of harmony and balance, illustrates maximising value with minimal resources.

Edelweiss's quest for sustainable excellence is similar. Building a quality organisation is of paramount importance to us. We believe in investing in our people, optimising our technology architecture to be future-ready and creating winning customer experiences.

Mirroring this philosophy, **Harish Hande**, **Prema Gopalan** and **Pancham and Shakti Cajla** have proved societal good is inevitably the result of striking the right balance between people and profit.



Harish Hande
Chairman, SELCO

When IITian Harish Hande embarked on his dream of putting solar technology in the hands of the poor, little did he know that not only would it light up their lives but also improve health, provide access to education and enhance livelihoods. Today, his firm SELCO has built over 650,000 systems for households, businesses and community projects. With need-based technology at the core of its philosophy, SELCO's products were designed to meet customer needs. Ranging from solar headlamps for rose pickers to aid midnight flower plucking to lights that would help silk farmers quietly check on worms at night. SELCO helped the rural workforce increase their productivity and improve their earnings.

Prema Gopalan
Founder, Swayam Shikshan Prayog

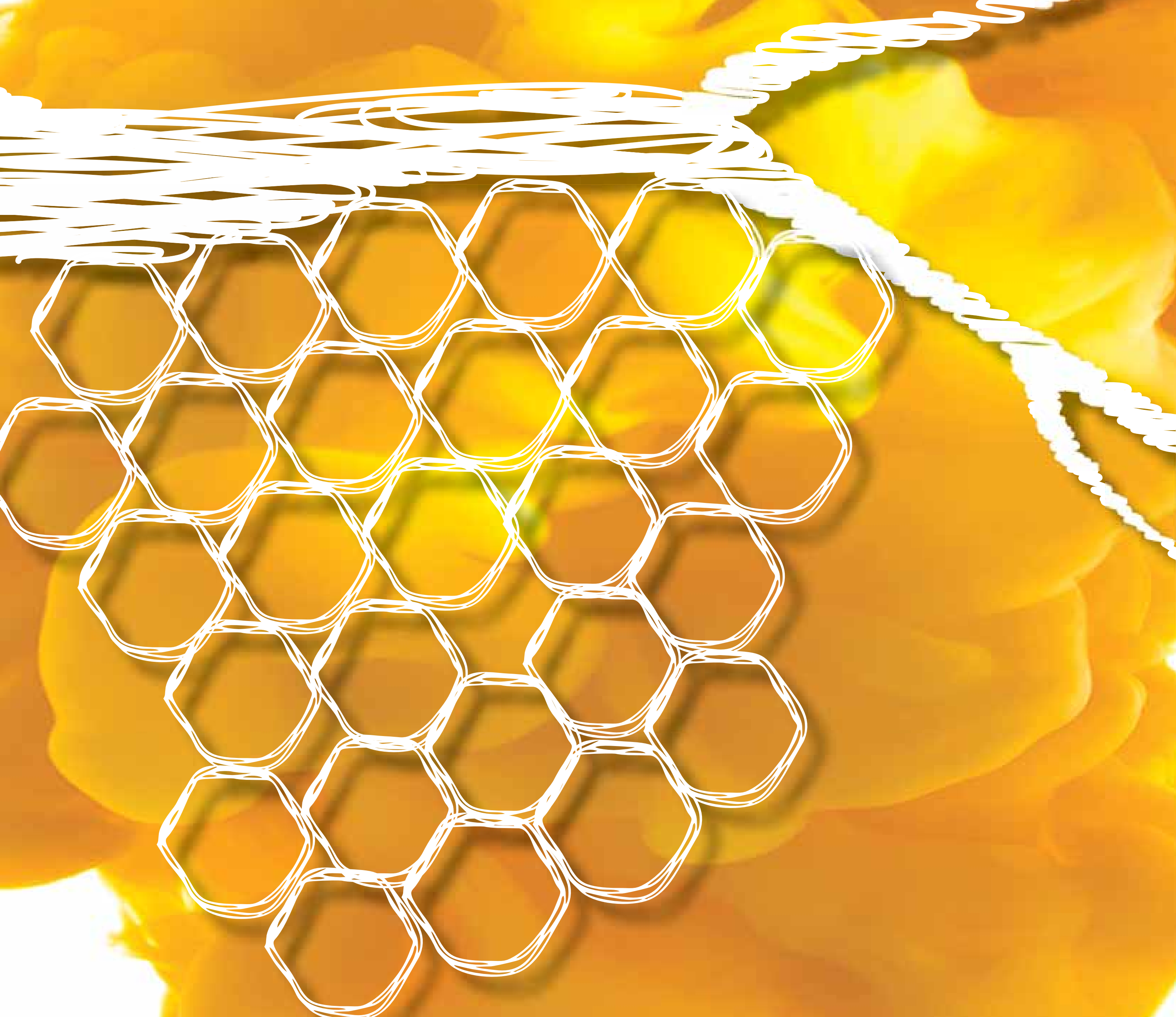
The devastating Latur earthquake triggered Prema Gopalan to launch her work in revitalizing resource-poor communities through Swayam Shikshan Prayog (SSP) in the Marathwada region. Over two decades, she inspired women to take up leadership roles in solving social and economic problems in their areas, building a vibrant ecosystem of women entrepreneurs. Through networks of self-help groups, a resilience fund, a training school and a market aggregator, SSP has helped launch rural micro-enterprises in high impact sectors across seven states in India. Today, over 1.70 lakh women have broken centuries old patriarchal societal norms and created lasting impact in their communities.

Pancham and Shakti Cajla
Founder, Anuprayaas

Volunteering as a scribe for the visually impaired since his school days, Pancham empathised with the challenges they faced, powering his desire to help them. He set up Anuprayaas with his wife Shakti, focusing on improving accessibility, and taking up the daunting task of making public transport services disabled-friendly. Crowdfunding, rallying together railway authorities, architects and volunteers, they transformed Mysore into India's first blind-friendly railway station, equipped with tactile maps and Braille signages. Since then, Anuprayaas has helped convert Mumbai's Borivali station, Bengaluru's KRS station, the Mysore-Varanasi Express and a blind school in Mysuru. With only 3% of the public spaces accessible to the 10.6 million visually impaired in India, Anuprayaas has made a small but definite start.

A Thriving People Culture

At Edelweiss, a diverse multi-cultural base of over 11,000 high-performing individuals with myriad and diverse skill sets, ideas and experiences form our greatest asset. Equipping them with equal opportunities, a healthy work environment and a platform to grow is what drives a common ethos of empowerment and shared ownership across the Group.



Leadership Pipeline

The Edelweiss Leadership Program identifies and grooms a deep and growing talent pool of high potential leaders and builds a solid leadership bench across levels, which currently comprises ~6% of the employee base.

Diversity & Inclusion

We believe in building an inclusive workplace where diversity of thought drives competitive advantage. With zero tolerance to discrimination on the basis of gender, caste, creed, religion and sexual orientation, we provide a safe, multi-cultural work environment. Regular awareness workshops are conducted for the Prevention of Sexual Harassment and employees are encouraged to use Dil Ki Baat–an open and transparent communication platform which provides direct interface with the Chairman.

- **20%** of our employee base comprises women
- **14%** of senior leadership comprises women
- Young and engaged workforce with an average age of **31** years

Employee Experience

We believe in fostering a unique environment where our employees are valued and have the opportunity to reach their full potential at work and beyond.

- Committed to building a value based culture, we recognise outstanding achievements in risk management, collaboration, customer centricity, people development, technology and innovation at Titans, our **annual awards and recognition program**
- Leveraging the skills of **70%** of our employee base, we encourage them to **play a part in social responsibility** programs powered by non-profit organisations supported by EdelGive Foundation
- Promoting healthier lifestyles, our **employee engagement** initiatives, which see close to **70%** participation, enhance mental, emotional and financial well-being

Delightful Customer Experiences

At Edelweiss, our sound business franchise is a result of our long-term relationships with our customers. Guided by research insights and powered by technology, we constantly strive to provide an integrated experience spanning various touchpoints, products and geographies. Committed to reinforcing a customer-centric culture, we have embraced the CWOW - ASSURED framework in order to help our 1.2 million customers #BeUnlimited.

CWOW - ASSURED Model

We will be **Accessible** to our customers and make it easier for them to get in touch with us.

We will be on the **Same Side** and listen to our customers with empathy. We will understand and resolve their problems. We will align our actions to their needs.

We will be **Upfront** and transparent in our dealings, communicate all relevant risks and ensure that the customer understands them clearly.

We will **Remove Limitations** by striving to squash all obstacles for our customers so they can achieve their aspirations.

We will be **Easy to Deal** with. Simply put, we will uncomplicate. We will simplify. We will make it a pleasure to work with us.

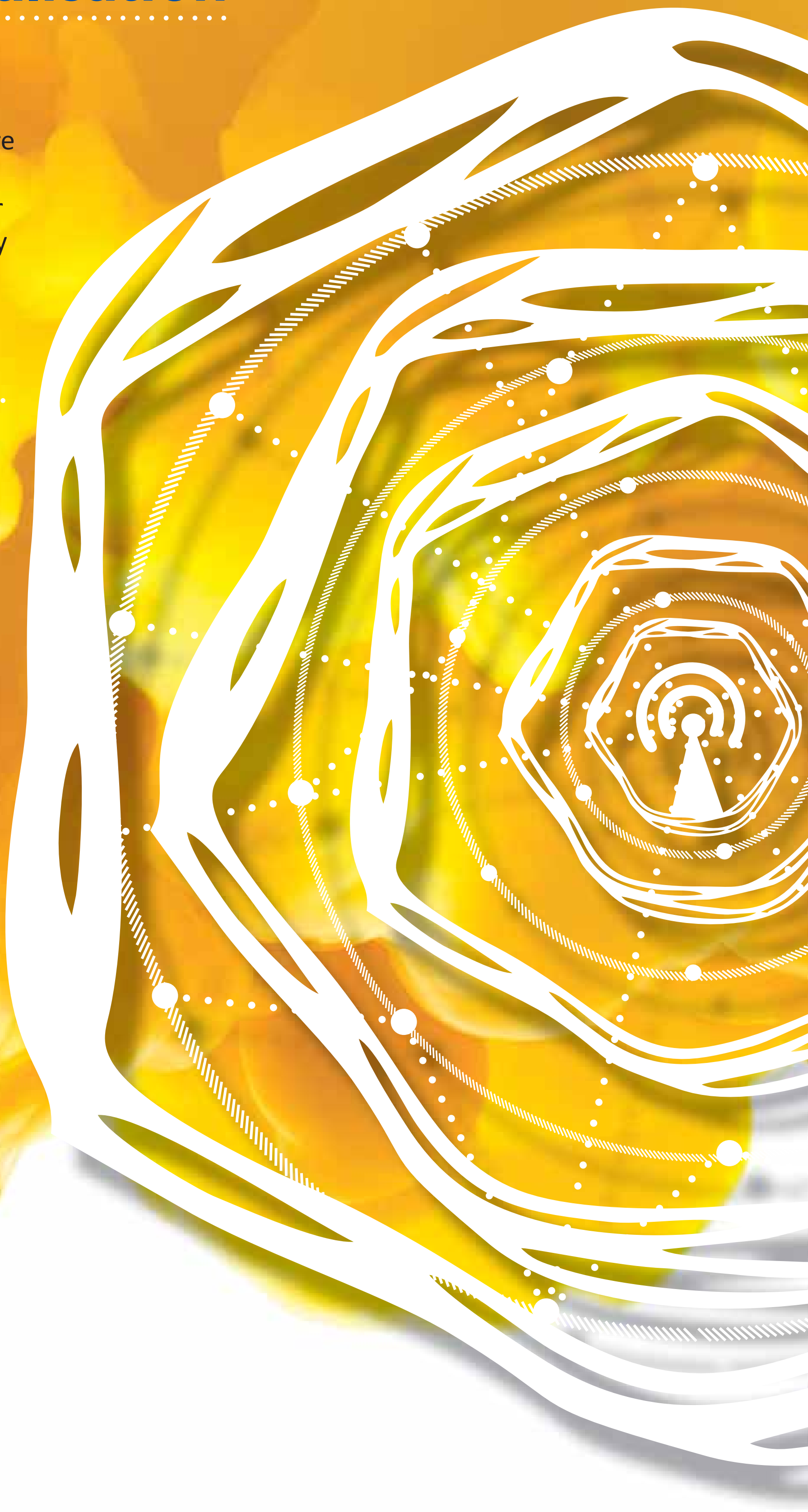
We will be **Dependable** and take ownership of the solutions we deliver to our customers.

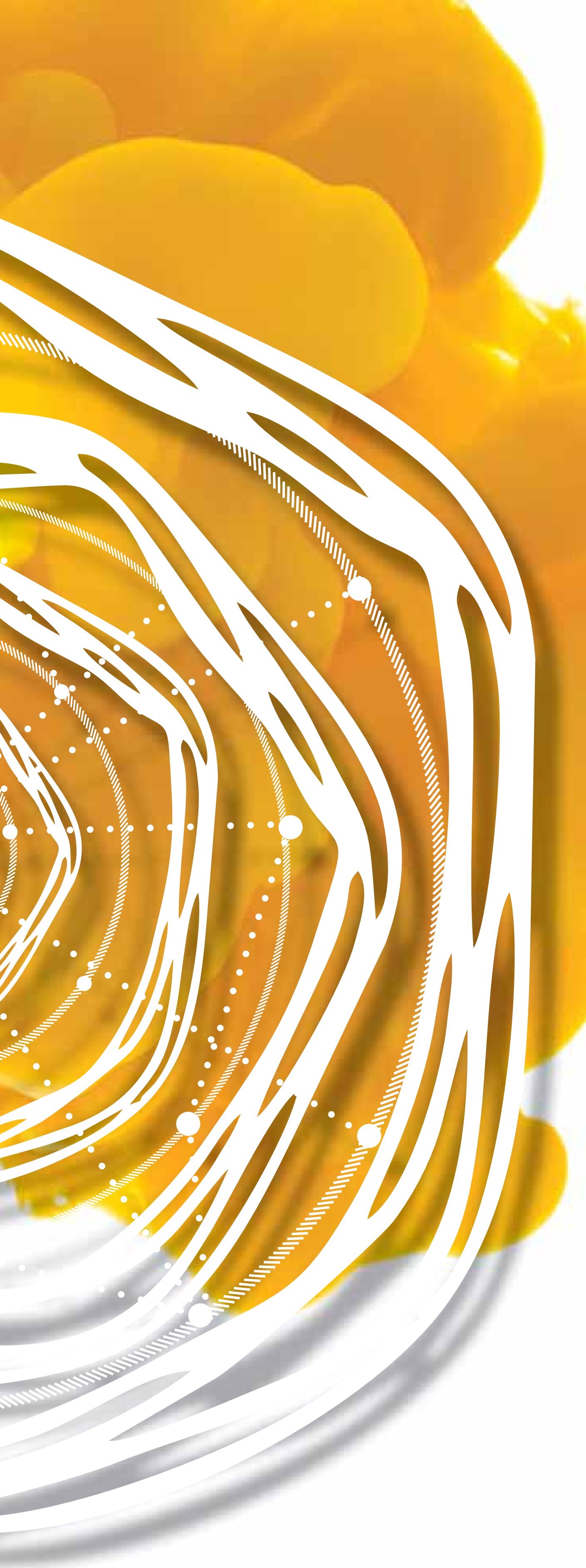
Going the Last Mile

- **Instant loan approvals** and end-to-end tracking platform, helping clients get visibility across the credit approval process as well as **speedy loan disbursals**
- Launched the **Liveability Index**, an artificial intelligence based rating methodology enabling customers to make **smarter home buying decisions**
- **SWIFT account opening** for Portfolio Management Services and Alternative Investment Funds
- Facilitated instant transactions, reducing **onboarding to less than a minute** for our mutual fund customers
- Edelweiss Mobile Trading Application garnered over a **million downloads** and received a **rating of 4.6 on Google Play Store** for its user-friendly interface
- Enabled the General Insurance website with the **best user interface/user experience** practices making the purchase of insurance amongst the simplest in the category
- **Zero wait time**, guaranteed admission and **deposit-free hospitalisation** for health insurance
- Customer feedback garnered through a **holistic NPS** methodology helping sharpen the service offerings

Advancing Digitalisation

Technology at Edelweiss occupies centre stage as a business enabler. Harnessing the power of analytics to build superior business propositions, using technology to bring down the cost of product offerings and enhance the overall customer experience, digitalisation is now a way of life at Edelweiss.





Technology Transforming Business

Continuing our digital transformation journey through the platform approach, enables us to create a flexible, structured and scalable technology foundation across businesses. With accelerated time-to-market, we are able to not only increase our efficiencies but also reduce the risks. With seamless data and information flow across our customers, partners and extended ecosystem, the platform approach helps us break silos and create enterprise-wide efficiencies.

Our Key Priorities

Scale up infrastructure to get future ready for the new normal

Simplify, optimise systems & processes

Advance usage of cloud technology to maximise synergies across the Group

Leverage robotics and artificial intelligence to build intuitiveness

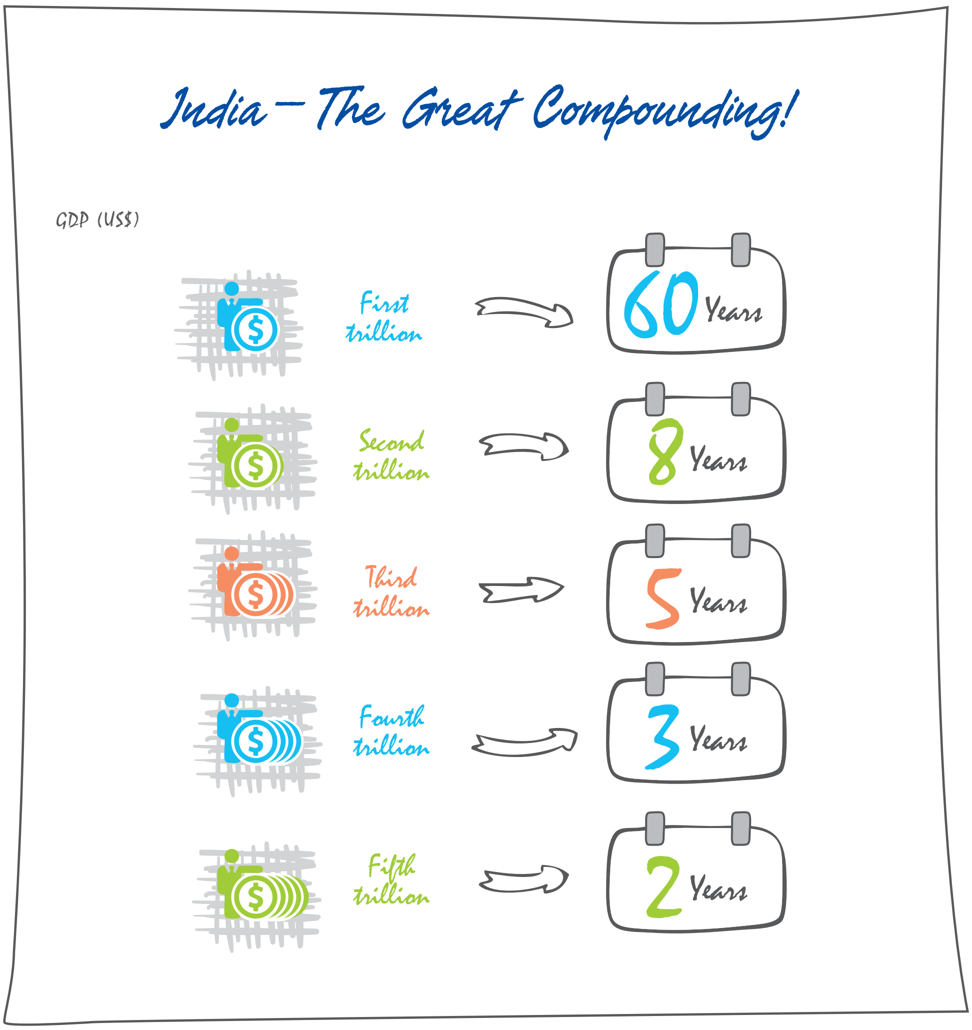
Some of our Initiatives

- **Genie - a single data warehouse** for product teams, distributors and clients across our public market business, thereby improving productivity, efficiency and customer satisfaction
- **Improving back-end operations** for AMC channel partners through **Galaxy** – an online platform, in addition to providing easy access to marketing material and collaterals through the **MF Store**
- **Enhancing sales efficiency** by empowering the asset management sales teams with real time data and research through the **Kshitij platform**
- Enabling our life insurance business to fast track product launches by **6x**, issue new policies in under **10 minutes**, improve branch efficiency by **50%** and reduce manual interventions from **67%** to **7%** through **Transcend**
- Driving extensive use of **Robotics Process Automation** and **Artificial Intelligence** across various businesses through a well-established Centre of Excellence
- **Data modernisation drive** with a single customer view and analytics, bringing innovative products and services to market as well strengthening risk management
- Encouraging innovative thinking and problem solving among the developer community through the **Edelweiss Hackathon** which saw over **10,000** participants coming together to solve real business problems through artificial intelligence and machine learning

Letter From The Chairman

FY19 - An Overview

India is full of opportunities. A 7% GDP growth rate for the sixth biggest economy in the world is no small feat. We have all the key ingredients needed for sustained growth compounding – significant size, strong growth rate and importantly a prolonged period of time during which this growth will sustain, driven by our young demographics. These factors have been in action for some time now. As we map out our journey since Independence, our GDP touched its first trillion (in US dollar terms) only in 2007 – 60 years after independence. The next trillion took eight years and we achieved the landmark in 2015. We are now expected to touch US$3 trillion by 2020 – in a matter of just five years! At this rate, we are well on our way to touching US$5 trillion by 2025! The power of compounding is truly immense.



Great Movie, Bad Snapshot

The mistake we often make is to see India not only as large but also as a constant and linear opportunity. So while we see an ocean of possibilities, we often forget that this ocean will have its fair share of storms, typhoons and hurricanes. Often, these are very transitory, while sometimes they may last for a long time. However, eventually calm will prevail. The same holds true for India as well. In fact, our hypothesis with India has been that a dislocation that lasts about four to five quarters happens every four to five years. And we have seen that play out as well. An analysis of the last 90-odd quarters showed around 10-12 significant 'crises' in the market. Despite these dislocations, the long-term growth trajectory for India continues to hold steady. So while at any point of time, India might not be a good picture to watch, in the long-term, it is definitely a great movie to see!

The second half of FY19 and the ensuing market dislocation must be seen in a similar context. Eight months on, while borrowing costs continue to be higher than normal, the borrowing tap is coming back to normalcy. We do expect the marginal slowdown and elevated borrowing costs to continue for a quarter or two, consistent with our hypothesis of four to five quarters of slowdown. In such a backdrop, our focus in the second half of the year was on further strengthening the core of our organisation as we eschewed growth in favour of building strength and stability.

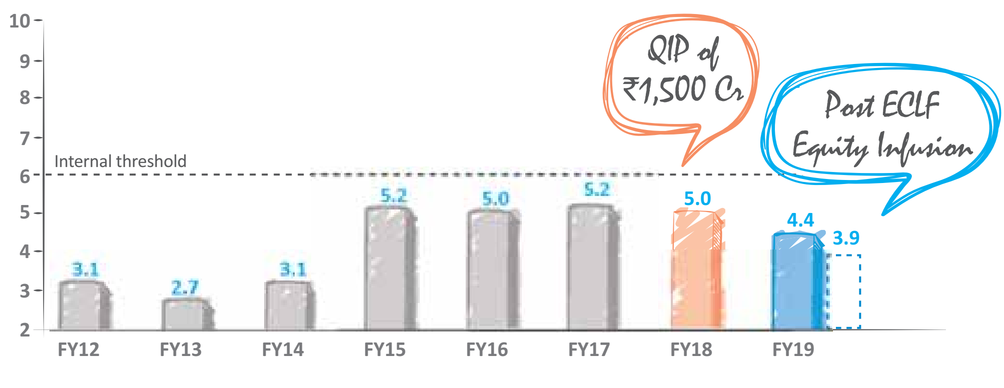
FY19 performance

FY19 was a year of two halves. While the first half was business as usual, the market dislocation meant that the second half was moderate quantitatively. However, qualitatively, it was an important year as we used the disruption to further strengthen and stabilise the organisation, true to one of our internal mottos - 'Never waste a good crisis!'

For us, the important highlights of FY19 include -

1. **Equity Capital –** One of the defining characteristic of our journey over the years has been the prioritisation of equity over growth. Our mantra has been simple – *Equity precedes Growth!* At every point in our journey, we have closely tracked our Debt-to-Equity (DE) ratios, raising equity whenever we have neared even 5.5x. We raised US$250 million of equity capital from Caisse de dépôt et placement du Québec (CDPQ) in ECL Finance in FY19, of which we have already received the first tranche of US$150 million. Not only is this equity capital infusion a validation of the quality of our book, it also provides us with enough growth capital as we go ahead.

D/E Excluding Treasury Assets

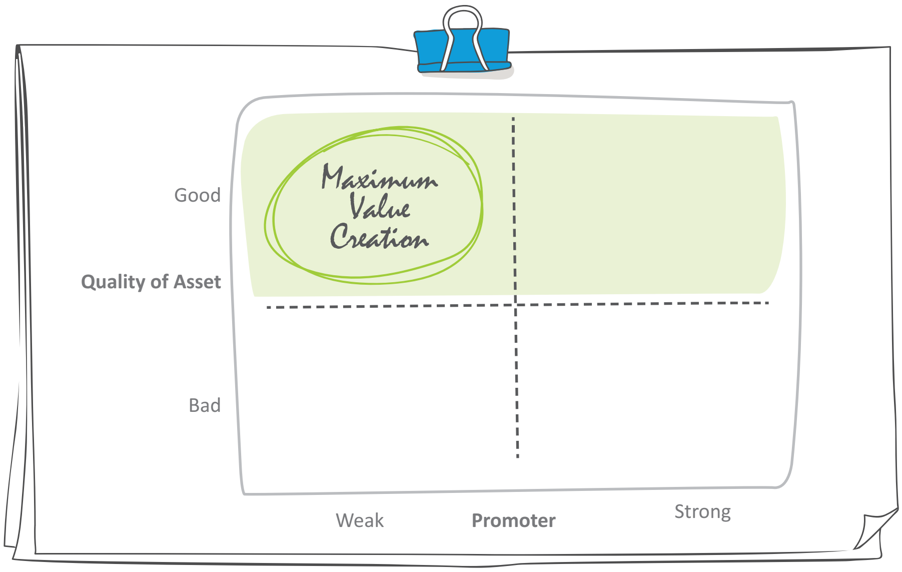


2. **Resolution & Recoveries –** Our Distressed Credit business had a good year with some big-ticket resolutions. Recoveries for the year were over ₹70 billion. Our journey in this business has been unique and highly fulfilling. Not only does it help us re-integrate temporarily non-productive assets back into the economy, it also helps us protect thousands of jobs across sectors. A sample size of nine portfolio companies that we analysed accounted for nearly 22,000 jobs protected! The total number of jobs we save and assets we revive over the years will be multi-fold.

ARC Strategy

Typically, the assets that we encounter in this business are of two kinds – they can be either operationally strong, EBIDTA positive, good quality assets or they can be bad quality assets where the business model itself is broken. It is the first category of assets that we focus on. Even within this, it might be a case of having a strong promoter or a weak promoter. While we do consider both kind of assets, maximum value creation will usually happen in a good asset, weak promoter kind of scenario.

At the same time, we understand only too well the blood and sweat that goes into building an organisation from scratch. So, in cases where we encounter a good promoter whose company has fallen into distress primarily due to market environment and a stretched balance sheet, we endeavour to work together and create viable solutions which are long-term positive for the entrepreneur and the business, Edelweiss and society at large.



3. **Insuring India -** We completed our business roster with the launch of the General Insurance business in February 2018. Being the best avenue to translate long-term savings into long-term investible capital, the impact of insurance in nation building cannot be underscored enough.

   The General Insurance business has had a strong start - in its first full year of operations, the business has already crossed ₹1 billion of premium! Even in life insurance, Edelweiss Tokio Life Insurance (ETLI) continues to be amongst fastest growing life insurance companies in the industry. More importantly, the quality of the business we are building in ETLI is what defines Edelweiss. Our Insurance business is reflective of the kind of franchise we are trying to build – long-term and steady. While the gestation period might be long, a well-run insurance business has the potential to provide stability of income in the long-term.

Customer Perspective – Core to strategy building

The foray into insurance is also a reflection of our increasing retailisation. As we have become increasingly retail, be it in Credit, Wealth Management or in Insurance, we have ramped up our focus even more on putting the customer at the centre of our strategy. Across businesses, we have innovated and endeavoured to enhance customer experience. Be it our mobile trading application, loan approval system or portfolio management services, each product has been crafted after taking concerted feedback on the pain points and needs of the customer.

A key tenet to this is our consistent focus on putting ourselves in the customer's shoes and seeing things from his perspective. We strongly believe that this customer-centric approach is the only winning strategy in financial services of the future. This unique focus towards the customer has helped us fulfil the home dreams of more than 34,000 clients, insure more than 300,000 individuals, provide asset management services to more than 350,000 clients and help build more than 100,000 houses. Our client base today stands at around 1.2 million and as always, we will continue to work towards fulfilling their dreams and aspirations.

Never waste a good Crisis!

We have always believed in using every crisis as a stepping stone. Like one of the characters in the popular TV series Game of Thrones says,

> "Chaos isn't a pit. Chaos is a ladder".
>
> — Petyr Baelish, Game of Thrones

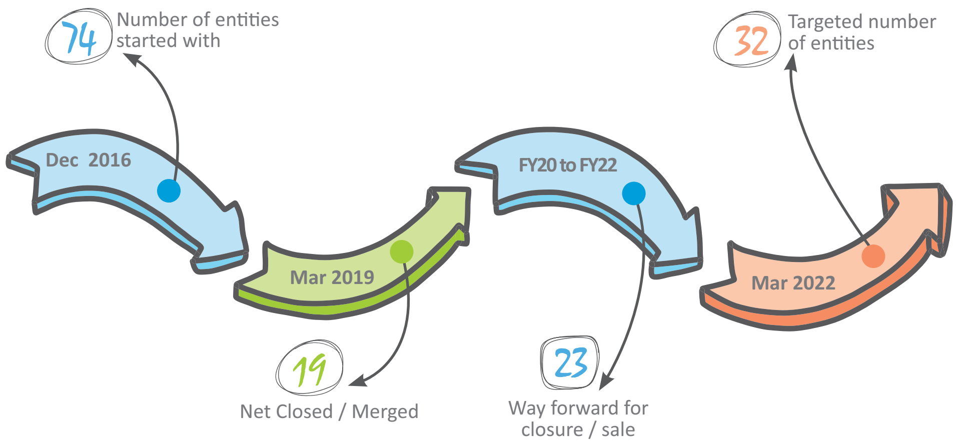
Similarly, every market disruption is an opportunity to strengthen from within. In this backdrop, we focused on enhancing capabilities which could create an even more solid foundation for future growth.

1. **Liquidity Management**

   In addition to equity capital, over the last few years, we have been on a journey towards strengthening our liabilities side of the balance sheet as well. Long-term liabilities now stand at 61% of our total borrowings, up from 34% in FY15. Reliance on Commercial Papers (CPs) is now a meagre 2% of our borrowings. In the long-term, we do not expect CPs to constitute more than 10% of our total borrowings at any point of time. Even more importantly, 93% of our borrowings today constitute bank loans and Non Convertible Debentures (NCDs). One more vector we have focused on is enhancing the share of retail borrowings which now stands at 23%. In fact, in FY19, we raised more than ₹66 billion of retail borrowings. It is truly a reflection of the faith and trust that the public has reposed in us that despite the challenging times, we have been able to raise such a significant sum from retail investors.

2. Simplification for Scale

Over the last couple of years, we have been on a path to simplicity. We have closed and/or merged several entities - this journey will continue till FY22 when we expect to be at around 32 entities, down from 74 a couple of years ago.



At the same time, we have simplified our business structures and re-aligned businesses into three distinct Business Groups (BGs) viz. Credit, Advisory and Insurance. Each of these BGs will be self-sufficient and independent business units. This means that they will each have their own strategic investors to provide growth capital for the next 3-4 years. Additionally, each of the BGs will have an Independent Board with compositions similar to the Edelweiss Financial Services Limited Board, where we have a majority of Independent Directors.

Credit Business

Retail Credit
- Retail Mortgages
- MSME & Business Loans
- Agri & Rural Finance

Corporate Credit
- Structured Collateralised Credit
- Wholesale Mortgages

Fixed Income

Advisory Business

Wealth Management
- Advisory
- Distribution
- Broking & Asset Services
- ESOP & Margin Funding

Asset Management
- Alternatives
- Mutual Funds

Capital Markets
- Investment Banking
- Institutional Equities

Asset Reconstruction
- Distressed Assets Resolution

Insurance Business

Life Insurance
- ULIPs
- Par
- Non - Par

General Insurance
- Motor Insurance
- Health Insurance

3. **Transformation through Technology**
   The sheer pace at which technology is changing the world is astounding. At Edelweiss, we have always believed in the power of technology and have moulded ourselves into a tech-enabled company. We believe that the time has come to embark on a new journey – from a tech-enabled organisation to a tech-led one. Increasingly, technology will occupy a similar presence on the table as business strategy does and we are starting to get ready for this long-term disruption. This elevation in technology will help us create a compelling offering for our clients – be it in terms of variety of service, cost efficiencies, safety and security, turnaround time, customisation and specialisation, among others. With this in mind, the technology function is now reporting directly to me. I am very excited by this new digital journey we are undertaking and feel confident that this new direction will open up several new vectors for Edelweiss, going forward.

Learnings from FICCI

"Yet, I am learning"

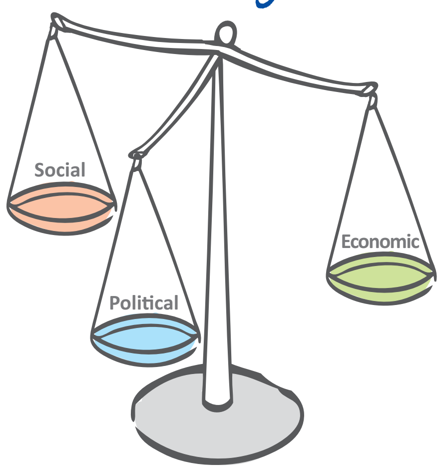
— Michelangelo at the age of 87

The beauty of life is that it never stops teaching us lessons. What we absorb and take in is our prerogative. Personally, for me, last year was especially rich in this regard, since the dual role at Edelweiss and FICCI (as President from Dec 2017 to Dec 2018) accorded me an opportunity to look at things in an entirely new light. Some of these learnings were a reinforcement of things I have seen in action over the years, while some of them provided me with a completely fresh perspective.

The Indian Decision Making Conundrum

The FICCI tenure was an eye-opener for me, in more than one way. The nuances involved in nation building, particularly the need to balance all sides of an issue is a difficult skill to master. It was the first time I was able to experience in close quarters how the Government thinks and how policymaking works. For us in Mumbai, what might seem a no-brainer because of the economic value attached could have severe social and political repercussions attached, something we are not attuned to thinking about. A bank re-capitalisation of ₹300-400 billion might seem like an obvious choice but the trade-offs one makes, say for instance, in under-allocating to another sector like education must be taken into cognizance.

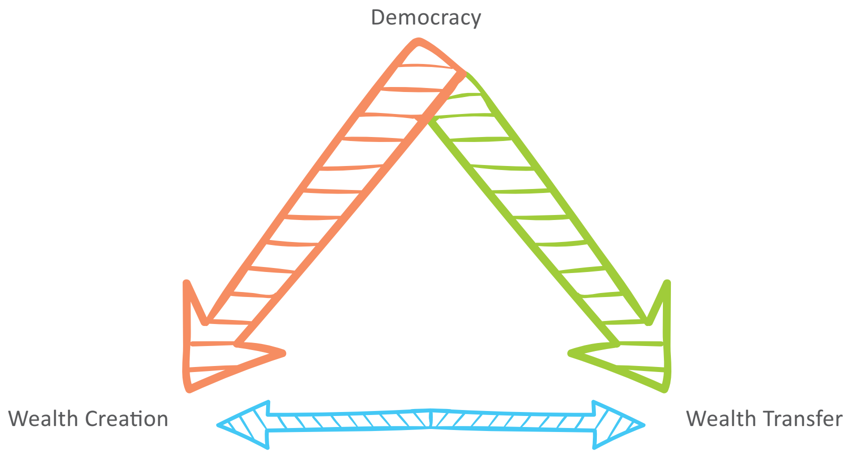
The Balancing Act



Earlier, the default thinking whenever we heard of some decision being stuck or some action not happening was to blame it on the ineffectuality of the Government. Today, the thinking is much more nuanced and it is much easier to understand that there would be multiple objectives that would have been under consideration on any given decision. It is a tough balancing act and one which I have learnt to understand and respect over the last year.

The Difficult Trinity

Economists often allude to the problem of the impossible trinity – a fixed foreign exchange rate, free capital movement and an independent monetary policy. However, there is another important trinity which is difficult to balance but necessary for long-term growth and stability – an insight again gleaned from the FICCI tenure.



World over, countries have unsuccessfully tried to achieve an optimum level for each of the above, all at the same time. However, only a few have attained some degree of success. So while USA is a functioning democracy and the biggest economic superpower in the world, the stark economic inequalities (reflected in its high Gini coefficient of 41.5) is a reminder of the major income re-distribution it still needs to undertake. In comparison, countries like Germany and France have done better. While not as economically big as the USA, they have a lower Gini co-efficient, indicating a better handling of economic inequality.

As the biggest democracy in the world, India's political process, despite whatever flaws it might have, is a benchmark in itself. We are now starting to realise our economic potential as well. Wealth creation is happening at a rapid pace and the power of compounding is expected to further push the growth agenda. However, the growing wealth has also brought in growing inequalities.

Segment of Population by Wealth Share	2000	2016
Top 1%	37%	58%
Bottom 10%	0.1%	-0.7%

Source: Credit Suisse

A -0.7% share suggests that this segment of the society, has lower assets than liabilities and is increasingly sinking into more and more debt. The next two deciles held just 0.2% and 0.5% of the total wealth. Taken together, this effectively means that the bottom 30% of the Indian population owns next to nothing!

This wealth inequality can be a strong deterrent to holistic economic development of the nation and must be urgently addressed. Inability to provide a large part of the population the benefits of a rapidly growing economy can further deepen inequalities, creating social unrest and a deep sense of mistrust in the powers that be. Only when India can optimally balance the three sides of the triangle can it hope to become a global economic superpower.

Outlook

Near-Term Outlook

The global economy today is going through volatile times. Even the domestic market seems to be facing its own troubles. It might seem like a doom and gloom scenario. However, we actually think that this could be the onset of a strong growth phase for the economy. There are a few key reasons behind this thinking –

1. **Disruption-Adjustment Phase is over**
   The last two years were more of a disruption and subsequent adjustment phase for the economy. A variety of economic reforms were introduced at regular intervals. While each of them has a clearly defined long-term structural benefit, it was expected that there would be teething troubles as well. Most of these reforms are now well-entrenched and we are even starting to see the benefits coming in, which will only accelerate going forward.

2. **NPA Endgame**
   Gross NPA for banks has now peaked and started showing a downward trend as per the latest Financial Stability Report. While the absolute amount is still significant, the effectiveness and efficacy of the IBC is now firmly established. Not only are stressed assets getting resolved faster than earlier, the value realisation has also jumped substantially. As it is, the system has already provided for nearly ₹5-5.5 trillion of the total system NPAs of ₹13 trillion. Total loss on this portfolio would be around ₹6 trillion – so effectively, we have only about ₹1.5 trillion of provisioning left to achieve. Even on a normal provisioning run-rate, this should be achievable in the next three years without any of the excessive pain that we have seen over the last two-three years. So the NPA endgame is truly approaching its logical conclusion.

3. **Credit growth coming back**
   Credit growth has started picking up, especially on the corporate side. This has been due to a multitude of factors – bank re-capitalisation has lifted some banks out of Prompt Corrective Action (PCA), resolution of stressed assets has freed up capital and Government investments on infrastructure continue, more so with the renewed majority of the Government. However, discretionary consumption has taken a hit due to the recent liquidity squeeze on NBFCs and must be monitored closely. A quick resolution will help take consumption trends back to normal levels but a prolonged slowdown could drastically impact the economic growth.

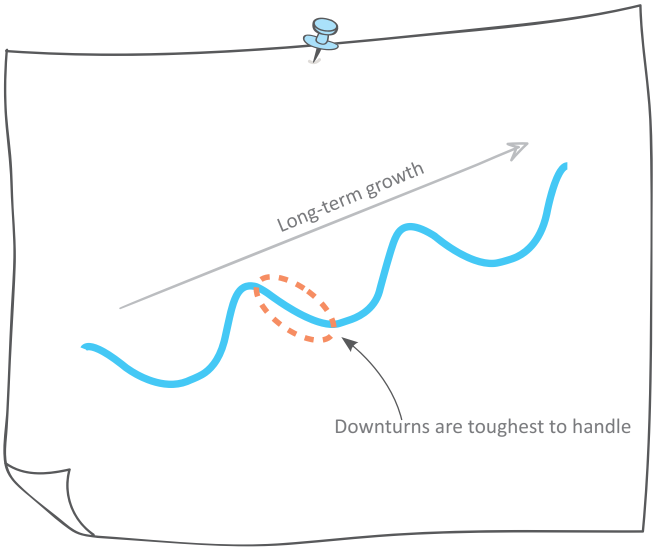
4. **Strong FII inflows**
   FII inflows have seen strong traction after the deluge of outflows last year. Typically, this has been the observed trend over the last two decades. Market returns are typically fantastic in the year following one with increased outflows as foreign investors come back in even larger numbers, which is what we expect in the current year as well.

5. **Dual expansionary environment**
   At any given point of time, it is rare to see an expansionary mandate for both monetary and fiscal policy in India. However, with inflation easing out, the RBI has been earnestly cutting interest rates in order to arrest the growth tempering. At the same time, the overall push by the Government has been towards investment, particularly in infrastructure and the rural economy. As a result, we are in a unique economic environment where we are seeing loosening on both fiscal and the monetary side. This bodes well for the growth prospects of the economy.

However, there are some areas which can impact the economy and need to be closely monitored. The slowdown in global trade could have an effect on the oil economy, which continues to have a significant say in the larger macro-economics of the country. Domestic consumption also needs to pick up for the growth momentum to accelerate. For this, the liquidity situation needs to start easing out. With elections out of the way and a stable and strong Government in the saddle, we do not see the squeeze lasting for too long now.

Long-Term Outlook

The current slowdown is nowhere a reflection of India’s long-term potential, which continues to be very optimistic. The greatest challenge during such a slow phase is not just figuring out ways to ease the pain of the slowdown but also having the faith and gumption to trust in the long-term.



In our journey as a country, we are in the one of the highlighted troughs. It seems that things seem to be going downhill and there is no end to the pain. However, we must remember -

"It is the darkest hour before the dawn"

— Thomas Fuller

There will be many troughs like the one we are seeing now but the good thing about India is that there will be more crests than troughs and typically these crests will last much longer than the troughs. India is a self-correcting country. As and when a disruption happens, the normal is impacted but sooner rather than later, we successfully evolve and adjust to this new normal.

In the long-term, we continue to be highly optimistic of the path and the direction that the Indian economy is taking. The renewed majority of the reforms-oriented Government is a highly positive development. We now eagerly await the second wave of reforms. While global headwinds may continue, the domestic tailwinds are powerful enough to ensure that we make strong progress over the next few years. Like I relentlessly say, India is full of opportunity. The progressive Government and regulatory policies in recent years have only added to this opportunity size. It is a new India that is now rising – an India which can hold its own in the global arena.

Yours Sincerely,

Rashesh Shah

Rashesh Shah
Chairman & CEO

Environmental Social and Governance (ESG) Report

At Edelweiss, ESG is a natural extension of our commitment to go beyond growth and address societal and environmental imbalances. We are conscious of the fact that sustainable and responsible growth is the only acceptable model for our business. In a world of accelerated social change and pressing environmental concerns, backing our customers and their communities, has become more significant than ever before.

As a leading organisation in India's financial services sector, we have a unique opportunity to be a positive influencer. Delivering value to our stakeholders has always been paramount and we fulfil this promise by investing resources, both financial and non-financial in ways that address environmental and societal challenges, supporting the communities where we work and live, and fostering a vibrant, inclusive culture of service among our people.

Early adopters of the Sustainable Development Goals (SDG) developed by the United Nations, we have embraced nine of the seventeen goals. Our Environmental, Social and Governance Report 2018-19 details the progress we've made over the last year.

Edelweiss ESG Pillars

Aligning with the United Nations Sustainable Development Goals

Protecting Environment

PROTECTING ENVIRONMENT

AFFORDABLE AND CLEAN ENERGY

Pursued initiatives to bring about energy efficiency and adopted renewable energy

78% of the power consumption at Edelweiss House met by **renewable sources**

Target: 70% by 2025

62% of energy consumption through **energy efficient** LED lighting

Target: 100% by 2025

Renewable energy capacity

2.5 MW
FY19

1.2 MW
FY18

Renewable energy generated

3.7 million units
FY19

1.1 million units
FY18

RESPONSIBLE CONSUMPTION

Practiced sustainable management and efficient use of natural resources for a cleaner environment

Maximised resource efficiency by recycling **23% of organic waste** generated at Edelweiss House, Kohinoor House and Fountainhead

Target: 65% by 2025

Reduced water consumption by 21% through rainwater harvesting and installation of smart water metres

Target: 20% by 2025

11,463 kg of e-waste collected and responsibly recycled

Strengthened policy guidelines to encourage **socially responsible procurement**

Reduced carbon emissions at Edelweiss House by **71%** via **effective carbon management** initiatives

CO_2

Target: 50% by 2025

Reduced green-house gas emissions by planting **185 trees** at the Fountainhead Leadership Centre in FY19

Target: 800 by 2025

CLIMATE ACTION

Positively benefited **158,000 people** through climate change interventions via EdelGive Foundation's implementing partners

Brought relief to **900 community members** across 3 villages in Maharashtra via **watershed interventions**, helping them attain self-sufficiency in their water needs, through AROEHAN

Empowered **275 farmers** in Chattisgarh by supporting the **watershed management** programmes of Action for Food Production

Mobilised **1,885 community members** in Odisha to take up **natural resource management** and develop low-cost watershed structures to enable effective irrigation via Sambandh

Impacted **4,500 direct beneficiaries** through a community-led **drought mitigation program** in 10 villages in Rajasthan, Uttar Pradesh and Uttarkhand via Gramin Vikas Vigyan Samiti

Worked with over **6,000 households** on natural resource development, sustainable agriculture and **climate change adaptation** in Odisha via Pragati

Contributing to Society

CONTRIBUTING TO SOCIETY

ECONOMIC GROWTH & DECENT WORK

Contributed to the **national agenda for job creation** by resurrecting businesses, financially empowering enterprises and individuals

Over **22,000 jobs protected** through revival of nine sick companies under the Edelweiss Asset Reconstruction Company mandate

Over 27,000 entrepreneurs financed through SME loans, indirect employment to over 95,550 people

Over **64,000 people employed** on projects financed under our real estate financing and advisory practice

Self-employment **opportunities created for over 77,000** Direct Sale Agents, Personal Finance Advisors, Agents and other Channel Partners

Employment and growth opportunities to over **11,000 employees** across over 400 offices

Financing homes for aspiring first time homeowners and self-employed who do not have easy access to finance

Over 100,000 homes completed under our real estate finance portfolio, which focuses on self-employed persons

Provided **affordable housing** – 77% of homes in the mid-income residences category

Providing access to **housing finance for the under-served**, over **34,000 disbursals** with median ticket size of loans being around ₹1.5 million

Improved access to affordable housing across **65 non-metro cities** in the country

Advanced financial inclusion and advocated **financial well-being** amongst our customers, entrepreneurs, businesses and India's sporting heroes

Reached **over 1.2 million customers**, majority of whom are under-served, by providing **access to finance** and enabling them to create assets, generate wealth and protect incomes

Encouraged **over 27,000 small businesses, enterprises and women entrepreneurs** across the Indian hinterland through SME unsecured loans with a median ticket size of about ₹1.25 million

Over **₹130 billion** unlocked by our asset reconstruction business

Personal loans provided against property - **median ticket size ₹2 million**

Helped over **485,000 mass affluent families** create wealth

Protected financial **wellbeing of over 300,000 families** through insurance

Provided nearly **790 athletes** of the Indian contingent to the Asian Games and Commonwealth Games with **insurance protection of ₹5 million each**

Provided each of our **six women sports champions** with a life insurance cover of ₹10 million, a health insurance cover of ₹1 million and an investible corpus of ₹0.5 million

Investing in our people by inculcating a performance-driven culture and ensuring a safe and engaging work environment

Largest Employee Stock Ownership Plan pool in the non-banking financial services space, inculcating a culture of ownership

Opportunity to grow through the **Edelweiss Leadership Program**, which comprises of about 6% of the employee base

Over 8,400 employees undertook behavioural and functional training – over 31,000 hours of employee training in FY19

Education assistance provided to 51 employees' children to pursue higher education

Enhancing **work-life balance via Edelcare**; 42% of employees engaged in various initiatives including fitness, health, sports and hobby pursuits

Safety and security of employees - 24x7 incident monitoring and reporting system and quick emergency response mechanism through Topsline services

Contributing to Society

REDUCED INEQUALITY

Empowered and promoted the social and economic inclusion of farmers, women and youth

Impacted over **158,000 lives** via water and livelihoods programmes

Advanced **financial inclusion** for over **1,943 women** from diverse communities, providing them with credit, remittance and social protection services

Advanced financial inclusion via **83 Self Help Groups** and 56 Joint Liability Groups with **1,157 women beneficiaries**

Upskilled over **5,100 farmers** through various **capacity building** training programmes in sustainable agricultural techniques

Enabled over 600 youth to identify **viable career opportunities** through experiential learning, soft skills development and internships

GENDER EQUALITY

Joined forces with EdelGive Foundation's implementing partners to protect women's rights

Equipped over **42,500** women and girls to protect themselves against violence; involved over **360** men and boys to address the issue of violence openly

Empowered over **700** survivors of violence to re-enter society and live a life without stigma and shame

Provided over **1,729** women and girls with access to legal aid, onboarding over **1,129** lawyers/paralegals on field

QUALITY EDUCATION

Reached over **1 million vulnerable children** via 17 education programmes with 13 implementing partners across India

Trained over 26,000 teachers, anganwadi workers, master trainers and facilitators

Supported over **6,800 schools** and learning centres

Engaged with over **450 government functionaries**

GOOD HEALTH & WELL- BEING

Supported the Government's agenda for building a sporting nation and advocated good heath and well-being practices internally

Supported the development of sporting talent through an association with **Olympic Gold Quest** and the **Indian Olympic Association**

Encouraged **young girls to adopt sports** by supporting and sharing inspiring stories of six of India's iconic women sports champions including Rani Rampal (women’s hockey captain), Hima Das (sprinter), Heena Sidhu (shooter), Manika Batra (paddler), Mirabai Chanu (weightlifter) and Dipa Karmakar (gymnast)

Health Insurance cover provided to employees

16% employees participate in **health and wellness initiatives** organised across the Group

Responsible Governance

PEACE, JUSTICE AND STRONG INSTITUTIONS

RESPONSIBLE GOVERNANCE

Board – Diversity, Effectiveness & Accountability

13 member board, which includes seven independent directors and **three women directors** provides invaluable guidance in policy design and strategy

A balanced and **rich board composition** with over 350 man years of experience

Independent directors have oversight on key subsidiaries and head strategic committees

Management & Employees – Demonstrating the governance culture

An organisation wide Code of Conduct which reflects general principles to guide employees in making **ethical decisions**

Regular awareness and mitigation programmes conducted for employees, building a strong risk and compliance culture

Compliance and **risk consciousness** amongst employees is fostered through an annual recognition programme

Whistleblower policy provides a secure channel to report unethical behaviour and code of conduct violations

Mandatory workshops and **sensitisation on Group Policies** – Prevention of Sexual Harassment (POSH), Code of Conduct, ABC of Compliance, Anti Money Laundering, Whistleblower, Prevention of Insider Trading, Information Security and Anti-Fraud

Stakeholders – Engagement and disclosures promoting transparency

Shareholders & Investors – Annual Report, annual/quarterly results, AGM, analyst calls, investor meets, exchange communication, investor grievance redressal

Customers – branches, online platforms, toll free helplines, customer care centres, website, mobile apps, SMS/emails for transactional & corporate announcements, customer surveys

Employees – workshops, townhalls, help-desks, intranet, knowledge forums, DilKiBaat – an anonymous channel to share feedback & ideas with the Chairman

Regulators – Exchange filings, reporting and disclosures with regulators on all compliance matters. Consultative participation in committees and forums to influence policy

Vendors & Partners – Online portals, mobile apps, partner meets, workshops

Society – community interventions, knowledge forums, seminars, website, mobile apps, social media

Organisation – Following best practices

Cybersecurity

- **ISO 27001:2013 certified information security** initiatives to enhance security of the IT infrastructure and maintain integrity and privacy of customer and organisational data
- **Heightened awareness of data security** threats amongst employees through education and simulation modules that trigger behavioural change

Internal Controls & Processes

- The **Internal Control Framework** of Edelweiss endeavours to strengthen the overall assurance practices, processes, controls, sharing of best practices, conducting periodic assessments, establishing and overseeing control dashboards
- The mandatory **online SHIELD module** helps in aligning employees to policies and ensures best compliance practices
- **External audit** to provide an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes

Risk Management

- Holistic approach to risk management led us to embrace **Enterprise Risk Management** (ERM), strategically benchmarking our practices to the best in class
- The ERM Framework facilitates dynamic risk identification and management of risk across **11 clearly defined risk vectors**
- **Analytics-driven approach** enables early detection and derailment of potential risks

EdelGive Foundation

Formation of EdelGive Foundation

EdelGive Foundation, the philanthropic arm of the Edelweiss Group, was set up in 2008, long before the CSR bill of 2014. Over the last decade, EdelGive Foundation, has been developing a philanthropic ecosystem of giving. The Foundation contributes to building sustainable institutions and organisations that promote societal growth and innovation, and advances the common good by bringing the skills, resources and talents of the for-profit world to the not-for-profit world.

In the last decade, EdelGive Foundation has influenced over ₹2.3 billion in philanthropy and supported (financial and non-financial) over 150 organisations, in 14 states in India, in the areas of Education, Livelihood and Women Empowerment. Through its employee engagement programme, EdelGive Foundation has provided over 32,500 hours in pro bono support from Edelweiss employees.

THE IMPACT

- **14** States in India
- **150** NGO Partners
- **₹2.3 billion** influenced through commitments to NGOs
- **90** capacity building skilled volunteering projects
- **Over 70%** employee engagement across Edelweiss
- Dedicated **22** member team

A. Creating a Credible Partnership Base:

EdelGive Foundation works closely with the funding community, advising them in developing their philanthropic vision and connecting them to outstanding NGOs. As reference partners, we connect relevant NGOs to donors. As aggregators, we execute collaborative projects where several donors come together and support large projects for collective impact. Through our zero profit Philanthropic Advisory Platform, we engage with corporates to help define their strategy of giving.

Customised Philanthropic Solutions
Companies | Family Offices | HNIs

Cost-free advisory and management platform
Consulting services | Co-funding | Pooled funding | Employee volunteering & engagement

Credible pool of NGOs
150 NGOs | 14 states | 2 million people reached in FY18-19

B. Aligning with Credible Causes and NGOs

EdelGive Foundation works to build sustainability and facilitate change at the individual and community level through 45 small and mid-sized NGOs pan India. Its work encompasses the following three areas – Education, Livelihoods, and Women Empowerment.

Education

- Ensuring quality education for the most disadvantaged children
- Building support systems to prevent drop-outs
- Facilitating policy for educational equity
- Creating a child friendly environment
- Quality learning opportunities for the girl child

13 organisations improved learning outcomes for over 1 million children, by providing training to over 27,000 teachers in 7,000 schools, across 18 districts in 7 states of India

Livelihoods

- Enhancing employability and skills
- Providing vocational guidance
- Raising awareness for government entitlements through rights and advocacy
- Promoting sustainable agricultural practices in rural areas to raise income
- Improving the availability of water for livelihood

15 organisations in 10 states supported by us, reached 158,000 people directly through livelihood generation programmes

Women Empowerment

- Women safety and protection from violence and discrimination
- Promotion of social and economic leadership among women
- Financial literacy and women's entrepreneurship
- Socio-legal support

16 organisations worked with 300,000 women and girls directly across 10 states towards socio-economic empowerment

C. Optimising Workforce Participation in the Social Sector

EdelGive Foundation offers non-financial support to partner and non-partner NGOs, by providing capacity building based on the NGO's stated needs viz. strategy development, HR, finance and technology. EdelGive Foundation draws on the Edelweiss employee volunteer pool and external (volunteer) agencies to cater to NGO needs. To date, Edelweiss employees have provided pro-bono support of 32,500 hours of skilled volunteering.

Employee Engagement

Employees engaged in volunteering through financial and non-financial giving	72%
Financial giving through employees/ influenced into EdelGive	₹4.7 million
Employee man hours contributed	32,500

Skilled Volunteering

Projects ongoing/closed	20
NGOs provided with skilled volunteering	19
Skilled volunteers contributing to capacity building projects	51

Capacity Building

EdelGive Foundation provides both financial and non-financial support to its NGOs. Non-financial support is in the form of capacity building based on NGO's needs. EdelGive Foundation's capacity building is agnostic to its grantmaking process.

- 3 Capacity Building Cohorts conducted in partnership with SocialLens
- Exposure visits facilitated among NGOs to promote cross-learning
- Consultancy and intensive capacity building with NGOs towards development of business plans, technology solutions
- Edelweiss employees used their expertise to mentor and guide NGO leaders
- 24 GSIF fellows working with 16 NGOs helped further our goals

D. Building Collaborations

The Collaborators for Transforming Education

The Collaborators is a five-year long Public Private Partnership between EdelGive Foundation (anchor funder), a consortium of donors and implementing organisations with the Government of Maharashtra, started in 2016 to implement the Pragat Shaikshanik Maharashtra (PSM); a Government-prioritised movement for educational transformation in the State.

The intervention focuses on three specific objectives, using the constructivism approach:

- Enhancement in learning outcomes of children (Class I to VII) resulting in transformation of schools to Pragat School (with a focus on Language and Maths subjects)
- Support to the education system by conducting capacity building of educational functionaries at multiple levels
- Improved community engagement

The Influencers

EdelGive Foundation anchors the Influencers – an attempt at a collective representation of the work in women empowerment stemming from a desire to bring critical stakeholders together – women and men, conventional players and new entrants interested in philanthropy for impact.

The Influencers are a significant and influential group of women and men who are iconic leaders and opinion makers across sectors like business, entertainment, sports, academia and philanthropy; with an intent and ability to lend their voice to the concerns of and challenges to women empowerment.

EdelGive Foundation has designed this initiative as a platform to action this intent to understand the women space. It is an opportunity to gain insights into problems that plague women and girls in India and support solutions that address such disablers to gender justice.

Through their identity, networks and resources, the group will enable millions of nameless, faceless women marginalised by caste, culture, geography, economic status and other differentiators to participate actively in social, political, cultural and spheres of society.

The Coalition for Women Empowerment (CWE)

Conceived by EdelGive Foundation, driven by its conviction in the systems thinking approach, the Coalition brings together funding organisations and grassroots NGOs as stakeholders united by a common mission. They will converge their energies towards interventions aimed at addressing deprivation and discrimination faced by women in India (irrespective of class, caste, region or other differentiators).

On the premise that holistic women empowerment is a function of social and economic empowerment, five key priority areas have been crystallised based on the learnings gained from the grassroot work being led by the NGO partners in the Coalition namely:

1. Freedom of women from violence and discrimination
2. Access to legal justice
3. Developing women's grassroots leadership
4. Enabling rights and entitlements for women
5. Bringing economic independence to women

Genpact Social Impact Fellowship (GSIF)

EdelGive Foundation has partnered with Genpact since 2016 to implement GSIF. Under this unique programme, six sigma experts from Genpact along with social sector experts introduce process re-engineering within non-profit organisations. Fellows and mentors work on the ground to solve specific challenges and increase effectiveness. In just three years, it has grown to 24 fellows working with 16 organisations across the country and has impacted over 3.6 million lives.

EdelGive Foundation is the implementation partner of GSIF, and helps set the context for development sector for six-sigma expertise, with the objective to support organisations in multiplying their operational capacity.

E. Knowledge Hub

At The Same Table™ (ATST)

Hosted by EdelGive Foundation, ATST is an equal platform for free and frank discussion on issues and ideas that collectively concern the funding community.

- 300+ participants
- Collaboration with Forbes Marshall, CIIE-IIM-A and Bridgespan
- ATST platform replicated by Donor Fraternity – Ambuja + Samhita and Cybage
- Funding conversion towards CORO by Nilenkani Philanthropy

EDGE 2018: Leadership – A key vector for change

EDGE 2018 brought together the funding fraternity and the NGOs on a common engagement platform and facilitated conversations on fostering partnerships for collective impact. The day saw three panels which featured leaders of renowned non-profits who have traversed Uncharted Territories in philanthropy, introduced the Influencers who have come together for enabling women empowerment and showcased eminent personalities from philanthropy and popular media who spoke on Building on their Personal brands for driving support for a cause.

EDGE Talks showcased the journey of four grassroots leaders EdelGive Foundation works with, who spoke about the genesis of the organisations they created, and continue to lead.

Board Of Directors

Rashesh Shah
Chairman, Managing Director & CEO

Rashesh Shah, co-founder, Edelweiss Group, has three decades of diverse experience in the financial markets and has been instrumental in building Edelweiss into one of India's leading diversified financial services organisations.

Rashesh is passionate about financial services and the role it plays in translating India's vast savings into investments; thereby powering economic growth and development. A regular commentator on macro-economic policies, Rashesh has served as President of FICCI, which is India's apex industry association, in 2017-18.

He has also been a part of the High Level Task Force on Public Credit Registry for India, the Insolvency Law Committee, Executive Committee of the National Stock Exchange as well as the committee to review Insider Trading Regulations set up by SEBI – the country's capital markets regulator.

An MBA from Indian Institute of Management, Ahmedabad, he also holds a Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi.

Venkatchalam Ramaswamy
Executive Director

Venkatchalam Ramaswamy, co-founder, Edelweiss Group, has almost three decades of experience in the financial markets.

He has been one of the driving forces in transforming what was once India's first new age boutique investment bank to a leading diversified financial conglomerate. Amongst his responsibilities, he also co-heads Edelweiss's Advisory businesses.

Venkat has been instrumental in building a client-need based solutions approach in the Distressed Asset Resolution as well as the Asset Reconstruction Company (ARC) business, which is India's leading ARC.

Using his skills at building and maintaining large institutional relationships including International Pension Funds and Insurance companies, the Alternative Asset Management business has earned the reputation of being among the largest in India.

An MBA from the University of Pittsburgh, United States of America, he also holds a Bachelor's Degree in Electronics Engineering.

Himanshu Kaji
Executive Director & COO

Himanshu Kaji has over three decades of diverse experience in the areas of business strategy, risk, finance, regulatory frameworks, process re-engineering, technology, strategy and implementation across the financial services space.

At Edelweiss, he oversees the functioning of Global Risk & Assurance, Finance & Accounts Governance & Compliance. In addition, he is also in charge of Legal & Administration.

He is co-chairperson of the FICCI Capital Markets committee and a member of the Secondary Market Advisory Committee of SEBI. He is also on the Trading Member Advisory Committee of the NSE. In the past, he has also served on the board of BSE and played a key role in the overhaul of the Exchange, contributing largely to the demutualisation and corporatisation of BSE. He has been a Corporate Advisor to eminent Indian and global financial services companies.

A Chartered Accountant, he holds a Post-Graduate Diploma in Securities Law.

Rujan Panjwani
Executive Director

Rujan Panjwani has over three decades of multifaceted domain expertise spanning credit, capital markets and insurance.

Having spent the last 18 years with Edelweiss, he has played a key role in setting up several flagship businesses. Apart from overseeing the Treasury, he has strategic oversight of the Insurance businesses. Additionally, he has helmed multiple functions across the Group such as Risk, Balance Sheet Management and Human Resources.

He is currently a member of the Assets & Liabilities Committee that primarily manages the Group's balance sheet and the Global Risk Committee. He continues to play a fundamental role in several key initiatives including strategy, business development and incubation of new businesses.

Rujan holds a Bachelor's degree in Electrical Engineering from the Manipal Institute of Technology.

Vidya Shah
Non-Executive
Non-Independent Director

Vidya Shah is the CEO of EdelGive Foundation, an organisation set up by Edelweiss Group, with the aim of building the capacities of the not-for-profit sector. With over two and half years of rich industry experience, she has grown EdelGive Foundation into a platform for strategic philanthropy.

Committed to creating sustainable institutions and organisations, she has brought the skills, resources and talents of the for-profit world to the not-for-profit world.

She has been the CFO for Edelweiss Group and has also worked with large financial institutions such as ICICI, Peregrine and NM Rothschild India, as an investment banker.

Vidya has a Bachelor's degree in Commerce and an MBA from Indian Institute of Management, Ahmedabad.

P N Venkatachalam
Independent Director

P N Venkatachalam has over four decades of experience in the Banking Sector in India and abroad and has also worked in the software industry in banking and finance verticals.

He joined State Bank of India in 1967 and retired in 2004 as its Managing Director. He was a member of the Interim Pension Fund Regulatory Authority of India.

He holds a Master's Degree in Economics and is a Certified Associate from the Indian Institute of Bankers.

Berjis Desai
Independent Director

Berjis Desai has a rich experience, spanning over three decades. He retired as the Managing Partner of J. Sagar Associates, one of India's leading law firms and is now an independent legal counsel engaged in Private Client Practice viz. Taxation and Estate Planning, Family Arrangement and Resolutions and Wills.

He has varied experience in the legal field, with specialisation in Corporate Law, Mergers & Acquisitions, Derivatives, Securities & Financial Laws, International Business Laws and International Commercial Arbitration.

He holds a Master's degree in Law from the University of Cambridge, UK.

Navtej S. Nandra
Independent Director

Navtej S. Nandra has over three decades of experience. He is Senior Independent Director of OakNorth Bank and serves as Independent Director of Edelweiss Financial Services Limited, Edelweiss Tokio Life Insurance Company Limited and Edelweiss General Insurance Company Limited.

He is a distinguished Visiting Fellow at the National University of Singapore and also serves on boards of the Centre for Governance, Institutions and Organisations (CGIO), and the Centre for Asset Management Research and Investments (CAMRI). He is also a senior advisor to Insight Guru.

His work experience includes President of E*TRADE Financial, CEO of Morgan Stanley Investment Management Ltd., senior roles at DTZ Holdings, Merrill Lynch Global Wealth Management, Merrill Lynch Global Investment Banking, Cambridge Group and BoozAllen and Hamilton. He has served on various boards, including Morgan Stanley Huaxin Fund Management, Morgan Stanley International, Nuveen Investments and Merrill Lynch India Technology Services.

He holds a Post Graduate Diploma in Management from IIM, Ahmedabad and a Bachelor of Commerce degree from the University of Delhi.

Kunnasagaran Chinniah
Independent Director

Kunnasagaran Chinniah has more than three decades of experience in the financial sector. He is presently a Director of Changi Airport International, Keppel Infrastructure Trust, Azzela Asset Management, Hindu Endowments Board, Singapore and several other companies.

Earlier, he 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.

He is a Chartered Financial Analyst with a Bachelor's Degree in Electrical Engineering from the National University of Singapore and an MBA from the University of California, Berkeley.

Biswamohan Mahapatra
Independent Director

Biswamohan Mahapatra's career spans over three decades. He retired as Executive Director of the Reserve Bank of India (RBI) in August 2014. At RBI, he was in charge of banking regulation, policy and supervision. Post retirement, he was an Advisor to RBI on the new bank licensing process. He has represented RBI at various national and international forums and chaired several RBI Committees.

He was also the Member-Secretary to the Committee set up to introduce a financial holding company structure in India and was also involved in the formulation of Basel II and Basel III regulations. He also serves as an Independent Director on the Boards of various companies. He was appointed as the Non-Executive Chairman of the National Payments Corporation of India.

He holds a Master of Science in Management (MSM) Degree from the Arthur D. Little Management Education Institute, Cambridge and an MBA from University of Delhi.

Ashok Kini
Independent Director

Ashok Kini has over four decades of experience in the financial services industry. He joined State Bank of India as Probationary Officer in 1967 and retired as the Managing Director in 2005. In addition to the Edelweiss Financial Services Limited Board, Ashok is on the Board of Edelweiss Asset Reconstruction Company Limited (a subsidiary of the Company), since November 2011.

He has, throughout his career, held important board-level positions across numerous corporates in India Inc., namely IndusInd Bank Limited, SBI Capital Markets Limited, UTI Trustee Company Pvt. Ltd. and Gulf Oil Lubricants India Limited, to name a few.

He was appointed by the Government of India as Managing Director – National Banking, Chairman of a Regional Rural Bank, Chief Dealer in the Offshore Banking Unit in Bahrain, among others. He also served as an Advisor to the Thorat Committee on Financial Inclusion at the Reserve Bank of India.

He holds a Bachelor's Degree in Science from Mysore University and a Master's Degree in English Literature from Madras Christian College, Chennai.

Dr. Ashima Goyal
Independent Director

Dr. Ashima Goyal has over three decades of experience. She is a Professor at the Indira Gandhi Institute of Development Research, a part-time member of Economic Advisory Council to the Prime Minister and also serves as an Independent Director at IDBI Bank.

She is a specialist in the areas of open economy macroeconomics, international finance, institutional economics and development economics. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA and a Fulbright Senior Research Fellow at Claremont Graduate University, USA.

She has an M. Phil., MA and BA in Economics from the University of Delhi and holds a PhD in Economics from University of Mumbai.

Anita M. George
Non-Executive
Non-Independent Director

Anita Marangoly George has over three decades of experience. She is Executive Vice-President, Strategic Partnerships – Growth Markets, CDPQ. She joined CDPQ as the Managing Director, South Asia in April 2016.

Prior to joining CDPQ, she was Senior Director of the World Bank's Energy and Extractive Industries Global Practice. She also held the positions of Director, Infrastructure and Natural Resources of the International Finance Corporation, a member of the World Bank Group, and Head of Siemens Financial Services in India. Her various roles have led her to work in several regions of the world, including Europe, Asia, the Middle East and Africa.

She holds a BA in Economics and Spanish from Smith College, Massachusetts, a Masters in Economics and an MBA in Finance from Boston University.

Company Information

Board of Directors

Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Mr. Himanshu Kaji
Mr. Rujan Panjwani
Ms. Vidya Shah
Mr. P. N. Venkatachalam
Mr. Berjis Desai
Mr. Navtej S. Nandra
Mr. Kunnasagaran Chinniah
Mr. Biswamohan Mahapatra
Mr. Ashok Kini
(appointed w.e.f. April 01, 2019)
Dr. Ashima Goyal
(appointed w.e.f. April 01, 2019)
Ms. Anita M. George
(appointed w.e.f. April 01, 2019)

Mr. Sanjiv Misra
(resigned w.e.f. January 24, 2019)

Chief Financial Officer

Mr. S. Ranganathan

Company Secretary

Mr. B. Renganathan

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP,
Chartered Accountants

Registered Office

Edelweiss House,
Off C.S.T. Road, Kalina,
Mumbai, Maharashtra - 400 098
CIN: L99999MH1995PLC094641
Tel: 022-40094400
Email: efsl.shareholders@edelweissfin.com
Website: www.edelweissfin.com

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai, Maharashtra - 400 083.
Tel: +91 22 4918 6270
Fax: +91 22 4918 6060
Email:rnt.helpdesk@linkintime.co.in
Website: www. linkintime.co.in

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17. R. Kamani Marg,
Ballard Estate, Mumbai,
Maharashtra - 400 001.
Tel : +91 22 4080 7000
Fax : +91 22 6631 1776
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

Bankers

- Allahabad Bank
- Andhra Bank
- AU Small Finance Bank
- Axis Bank
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Canara Bank
- Catholic Syrian Bank
- Central Bank of India
- Citibank N.A.
- Corporation Bank
- DCB Bank
- Dena Bank
- Federal Bank
- HDFC Bank
- ICICI Bank
- IDBI Bank
- IDFC Bank
- Indian Bank
- IndusInd Bank
- Karnataka Bank
- Karur Vysya Bank
- Kotak Mahindra Bank
- Lakshmi Vilas Bank
- National Housing Bank
- Oriental Bank of Commerce
- Punjab & Sind Bank
- Punjab National Bank
- RBL Bank
- Small Industries Development Bank of India
- South Indian Bank
- Standard Chartered Bank
- State Bank of India
- State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of Patiala
- State Bank of Travancore
- Syndicate Bank
- UCO Bank
- Union Bank of India
- United Bank of India
- Vijaya Bank
- Yes Bank

Edelweiss Presence

476 offices covering
~1.2 million clients

MAJOR CITIES:

Domestic

- Agra
- Ahmedabad
- Ajmer
- Allahabad
- Ambala
- Amritsar
- Anand
- Aurangabad
- Bengaluru
- Bhavnagar
- Bhillai
- Bhopal
- Bhubaneshwar
- Bilaspur
- Chandigarh
- Chennai
- Coimbatore
- Cuttack
- Dehradun
- Dhanbad
- Erode
- Gandhinagar
- Ghaziabad
- Gorakhpur
- Gurgaon
- Guwahati
- Hyderabad
- Indore
- Jabalpur
- Jaipur
- Jalandhar
- Jammu
- Jamnagar
- Jamshedpur
- Jodhpur
- Junagadh
- Kanpur
- Karnal
- Kochi
- Kolhapur
- Kolkata
- Kottayam
- Kurnool
- Lucknow
- Ludhiana
- Madurai
- Mangalore
- Mathura
- Meerut
- Mehsana
- Mumbai
- Muzaffarpur
- Mysore
- Nagpur
- Nashik
- Navi Mumbai
- New Delhi
- Noida
- Panipat
- Panjim
- Patiala
- Patna
- Pondicherry
- Pune
- Raipur
- Rajkot
- Ranchi
- Rourkela
- Salem
- Secunderabad
- Shimla
- Siliguri
- Silvassa
- Surat
- Thane
- Thanjavur
- Tirunelveli
- Tirupathi
- Tirupur
- Trichy
- Trivandrum
- Udaipur
- Vadodara
- Vapi
- Varanasi
- Vellore
- Vijayawada
- Vizag
- Warrangal

International

- Singapore
- Mauritius
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Board's Report

To the Members of Edelweiss Financial Services Limited,

Your Directors hereby present the 24th Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

I. Consolidated Financial Performance:

(₹ in million)

	2018-19	2017-18
Total Revenue	1,08,775.54	89,208.42
Total Expenses	91,380.43	75,707.24
Profit before share in profit / (loss) of associates and tax	17,395.11	13,501.18
Share in profit / (loss) of associates	41.99	(12.07)
Profit before tax	17,437.10	13,489.11
Tax expense	6,993.41	5,118.57
Profit for the year	10,443.69	8,370.54
Other Comprehensive Income	573.35	(323.55)
Total Comprehensive Income	11,017.04	8,046.99
Profit for the year attributable to		
Owners of the parent	9,951.66	8,631.83
Non-controlling interests	492.03	(261.29)
Other Comprehensive Income for the year attributable to		
Owners of the parent	384.13	(156.50)
Non-controlling interests	189.22	(167.05)
Total Comprehensive Income for the year attributable to		
Owners of the parent	10,335.79	8,475.33
Non-controlling interests	681.25	(428.34)
Earnings per share (Face value ₹ 1 each)		
Basic	11.28	10.46
Diluted	11.09	10.12

(figures are represented in Ind-AS)

II. Standalone Financial Performance:

(₹ in million)

	2018-19	2017-18
Total Revenue	3,203.75	4,401.36
Total expenses	2,144.48	2,672.41
Profit before tax	1,059.27	1,728.95
Tax expenses	30.49	346.31
Profit for the year	1,028.78	1,382.64
Other Comprehensive Income	0.82	4.00
Total Comprehensive Income	1,029.60	1,386.64
Earnings Per Share ₹ (Face Value of ₹ 1/- each)		
(1) Basic	1.17	1.68
(2) Diluted	1.15	1.62

(figures are represented in Ind-AS)

DIVIDEND

During the year under review, your Directors declared and paid an interim dividend of ₹ 1.10 per Equity Share on the face value of ₹ 1 each.

The Board has also recommended a final dividend of ₹ 0.30 per Equity Share on the face value of ₹ 1 each for the financial year ended March 31, 2019.

The payment of the final dividend is subject to declaration by the Members at the ensuing Annual General Meeting (AGM) scheduled to be held on Thursday, July 25, 2019 and shall be paid to those Members whose names appear in the Register of Members of the Company as on July 18, 2019. The Register of Members and the share transfer books will remain closed from July 19, 2019 to July 24, 2019 (both days inclusive).

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy, which is provided as Annexure I to this Report and is available on the website of the Company at the link: https://www.edelweissfin.com/documents/30595/209699/EFSL%20Dividend%20Distribution%20Policy.pdf

SHARE CAPITAL

During the year under review, 1,71,70,637 Equity Shares of face value of ₹ 1 each were allotted on exercise of the Options granted under various Employee Stock Incentive Plans of the Company.

Consequently, as at March 31, 2019, the total paid-up share capital of the Company stood at ₹ 932.67 million divided into 93,26,69,564 Equity Shares of ₹ 1 each.

The disclosures with regard to the Employee Stock Options as required under the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at the link:https://www.edelweissfin.com/web/edelweiss/annual-reports?param=annualReport.

The Company has also introduced Edelweiss Employees Stock Appreciation Rights Plan, 2019 which was approved by the Members of the Company on May 2, 2019 issued vide Notice (Postal Ballot) dated March 26, 2019.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

Information on the operational and financial performance, amongst others, is given in the Management Discussion and Analysis Report, forming part of this Annual Report, and is in accordance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

ABRIDGED FINANCIAL STATEMENTS

In terms of the provisions of Section 136 of the Companies Act, 2013, the abridged Financial Statements as at March 31, 2019 and the Auditors' Report on the Financial Statements form part of the Annual Report. Full version of the Annual Report is available on the website of the Company at the link: https://www.edelweissfin.com/web/edelweiss/annual-reports?param=annualReport and will be made available to the Members of the Company on request.

SUBSIDIARIES & ASSOCIATES

During the year under review, the following companies ceased to be subsidiaries of the Company with effect from February 18, 2019 on account of their merger with Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), a subsidiary of the Company:

- Edelweiss Business Services Limited
- Edelweiss Agri Value Chain Limited
- EFSL Comtrade Limited
- Edelweiss Fund Advisors Private Limited
- Edelweiss Capital Markets Limited

Edelweiss Multi Strategy Funds Management Private Limited ceased to be a subsidiary w.e.f. February 01, 2019 on account of its merger with Edelweiss Asset Management Company Limited, a subsidiary of the Company.

Edelweiss India Capital Management, Mauritius ceased to be subsidiary w.e.f. October 12, 2018.

Allium Finance Private Limited, which was hitherto an Associate Company, became a subsidiary of the Company w.e.f. December 5, 2018 and Lichen Metals Private Limited became a subsidiary of the Company w.e.f. December 31, 2018.

The salient features of the financial statement of each of the subsidiaries and the associates as required under the Companies Act, 2013 is provided in the consolidated financial statement in Form AOC-1. The financial statements of the subsidiary companies are available on the website of the Company at the link:https://www.edelweissfin.com/web/edelweiss/annual-reports?param=annualReport. Any member interested in obtaining a copy of financial statement of the subsidiaries may write to the Company Secretary, at the Registered Office of the Company.

LOANS, INVESTMENTS AND GUARANTEES

Particulars of loans given, investments made, guarantees given and securities provided, if any, are reported in the financial statements.

RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with the related parties as referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 and forming part of this Report is provided in the financial statements in Form AOC-2. All the Related Party Transactions as required under Ind AS-24 are reported in the Notes to the financial statement.

In accordance with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated the Related Party Transactions Policy, which is available on the website of the Company at the link: https://www.edelweissfin.com/documents/30595/209699/Related%20Party%20Transactions%20Policy.pdf.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Independent Directors

Mr. Biswamohan Mahapatra (DIN: 06990345) was re-appointed as an Independent Director of the Company at the Annual General Meeting (AGM) held on July 26, 2018, to hold office for a period of five years.

Mr. Sanjiv Misra (DIN: 03511635) resigned as an Independent Director w.e.f. January 24, 2019 due to his other compelling commitments and time constraints. The Board placed on record its appreciation for the valuable contribution and the services rendered by him during his tenure as an Independent Director.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee (NRC) and in accordance with provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, appointed Mr. Ashok Kini (DIN: 00812946), Dr. Ashima Goyal (DIN: 00233635) and Ms. Anita M. George (DIN: 00441131) as Additional Directors on the Board w.e.f. April 1, 2019. They shall hold office as Additional Directors upto the date of the ensuing AGM.

Further, the Board has appointed Mr. Ashok Kini (DIN: 00812946) and Dr. Ashima Goyal (DIN:00233635) as Independent Directors w.e.f. April 1, 2019 for a period of 3 years, subject to the approval by the Members at the ensuing AGM.

Ms. Anita M. George (DIN: 00441131) who was appointed as Additional Director (Independent) w.e.f. April 1, 2019 has been re-designated as a Non-Executive Non-Independent Director w.e.f. May 14, 2019.

The aforesaid appointments have been included in the Notice convening the ensuing AGM for approval of the Members.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section and also in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(ii) Executive Director

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their Meeting held on May 14, 2019, had, subject to the approval of the Members, re-appointed Mr. Himanshu Kaji (DIN: 00009438) as an Executive Director for a term of five years w.e.f. November 1, 2019. The necessary resolution in this regard is being placed for the approval of the Members at the ensuing AGM.

(iii) Other Directors

Mr. Rashesh Shah (DIN: 00008322) and Mr. Venkatchalam Ramaswamy (DIN: 00008509) retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

(iv) Key Managerial Personnel

There was no change in the Key Managerial Personnel (KMPs) during the year under review. Some of the KMPs of the Company are also the KMPs of the subsidiaries and draw remuneration from those subsidiaries.

NUMBER OF BOARD MEETINGS HELD

During the year ended March 31, 2019, the Board met 6 times.

REMUNERATION POLICY

The Company has formulated a Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is provided as Annexure II to this Report.

EVALUATION OF THE PERFORMANCE OF THE BOARD

A Board Evaluation Policy (the Policy) for evaluating the performance of the Board, its Committees, the Chairman, the Managing Director, the Executive Directors, the Non-Executive Directors and the Independent Directors has been adopted by the Company.

The Policy inter alia provides for the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, review of the terms of reference of the Committees and the contribution of the Committees to the Board in discharging its functions, etc.

A separate meeting of the Independent Directors was held during the year under review wherein, the Independent Directors evaluted the performance of the Non-Independent Directors, performance of the Board as a whole and also that of the Chairman in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has in place adequate internal financial controls with reference to the financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process.

Risk management is an integral part of the Company's Business Strategy that seeks to minimize adverse impact on business objectives and capatalise on opportunities. The Risk Committee oversees the risk management framework of the Company through regular and proactive intervention by identifying risks and formulating mitigation plans. Also refer to the Management Discussion and Analysis Section.

AUDIT COMMITTEE

The Audit Committee presently comprises of:

Mr. P. N. Venkatachalam (Chairman) Mr. Berjis Desai Mr. Biswamohan Mahapatra Mr. Kunnasagaran Chinniah	Independent Directors

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy for the employees to report genuine concerns / grievances. The Policy is available on the website of the Company at the link: https://www.edelweissfin.com/documents/30595/0/WhistleBlowerPolicy.pdf.

The Policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Companies Act, 2013. The CSR Committee presently comprises of:

Mr. Venkatchalam Ramaswamy (Chairman) Mr. Himanshu Kaji Mr. Rujan Panjwani	Executive Directors
Mr. P. N. Venkatachalam	Independent Director

The Company has made contributions under Corporate Social Responsibility mainly through its philanthropic arm Edelgive Foundation. The CSR Projects of the Company largely focus on the following broad areas viz. sustainable livelihood, quality education, women empowerment etc.

CSR REPORT

The CSR Report on the activities undertaken during the year is annexed to the Board's Report as Annexure III. The CSR Policy is available on the website of the Company at the link: https://www.edelweissfin.com/documents/30595/209699/CSR%20Policy.pdf.

AUDITORS

At the 23rd Annual General Meeting of the Company held on July 26, 2018, the Members had appointed M/s. S. R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), as the Auditors of the Company for a term of 5 years to hold office until the conclusion of the 28th AGM to be held in the year 2023.

The Auditors' Report annexed to the financial statements for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDIT REPORT

M/s. BNP & Associates, Company Secretaries, were appointed as the Secretarial Auditors, to conduct the Secretarial Audit for the financial year ended March 31, 2019. The Report of the Secretarial Auditor is provided as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report of Edelweisss Tokio Life Insurance Company Limited, the Material Unlisted Subsidiary of the Company for the year ended March 31, 2019 is provided as Annexure IV-A to this Report.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. No cases were reported during the year under review. There were no complaints pending as on March 31, 2019. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

A. Conservation of energy

i. The steps taken or impact on conservation of energy – The operations of your Company are not energy intensive. However, adequate measures have been initiated for conservation of energy wherever possible.

ii. The steps taken by the Company for utilising alternate sources of energy – though the operations of the Company are not energy intensive, the Company explores alternative sources of energy, as and when the necessity arises.

iii. The capital investment on energy conservation equipments – Nil

B. Technology absorption

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

ii. The benefits derived like product improvement, cost reduction, product development or import substitution – Not Applicable.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable.

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology has been fully absorbed;

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

iv. The expenditure incurred on Research and Development – Not Applicable.

C. Foreign exchange earnings and outgo

Foreign exchange earnings and outgo (including dividend) during the year under review were ₹ 118.68 million (previous year ₹ 189.74 million) and ₹ 52.77 million (previous year ₹ 56.63 million) respectively.

OTHERS

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, as the Company has not accepted any deposit. There was no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the extract of the Annual Return in Form MGT- 9, annual return for the financial year 2017-18 and 2018-19 are available on the website of the Company at the link: https://www.edelweissfin.com/web/edelweiss/annual-reports?param=annualReport.

DISCLOSURE UNDER SECTION 197 OF THE COMPANIES ACT, 2013

The information as required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Annual Report.

Disclosures as required under Rule 5(1) of the aforesaid Rules are provided as Annexure V to this Report. In terms of the provisions of Section 136 of the Act, any member interested in obtaining a copy of information under Rule 5(2) of the aforesaid Rules, may write to the Company Secretary, at the Registered Office of the Company.

CORPORATE GOVERNANCE

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance together with the certificate issued by M/s. BNP & Associates, Company Secretaries, on compliance in this regard forms part of this Annual Report.

A Business Responsibility Report pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided as Annexure VI to this Report.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii) such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and the profits of the Company for the financial year ended on that date;

iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis;

v) internal financial controls have been laid down and the same are adequate and were operating effectively; and

vi) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors places on record their gratitude for the valuable guidance and continued support extended by the Securities and Exchange Board of India, the Reserve Bank of India, Stock Exchanges, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, other Government Authorities, Banks and other Stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors
Edelweiss Financial Services Limited

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

May 14, 2019

INTEGRATED REPORTING

At Edelweiss, we realise that the true value of any organisation is based on tangible and intangible aspects. Some like financial performance are tangible, but others, like intellectual capital, brand equity and culture are harder to quantify. Our philosophy on quality and humanity is intertwined with who we are, what we do and how we create value, adopt strategy, exploit opportunities and control risks. Here is a holistic view of us as an organisation through our performance, business model and strategy.

STRATEGIC OBJECTIVES AND STRATEGIES

Whether wholesale or retail businesses, customer experience is our key differentiator. Customer experience is at the heart of how we think, manage our businesses, build our platform, design our products and service our customers and their evolving needs.

OPERATING RISKS AND OPPORTUNITIES

Slower domestic and global economic growth, low rainfall or delay in revival of capex cycle can impede our growth. However, continued reforms like GST, RERA and IBC along with the global economy showing signs of recovery augur well for our growth. Long-term trends in democratisation of access to credit and financialisation of savings will also present tremendous growth opportunities to us.

GOVERNANCE

Aside from our internal controls and risk structures, we also have in place various crucial policies such as the Prevention of Insider Trading, Conflicts of Interest Policy, a strong Whistleblower Policy and Business Responsibility Policy. We maintain highest levels of governance to optimise value for all our stakeholders.

PERFORMANCE

Our diversified revenue streams ensure constant growth across cycles despite volatile environment. Our profits continue to be contributed by a diverse set of businesses eliminating cyclical volatility in performance.

ORGANISATIONAL OVERVIEW OF BUSINESS MODEL

We make a conscious choice to constantly pursue innovation and invest in new ideas and businesses.In an attempt to simplify our business structure, we have transitioned into three self contained strategic Business Groups - Credit, Advisory and Insurance.

FUTURE OUTLOOK

We at Edelweiss, see employees as a part of our future. The Edelweiss Leadership Program is focused on identifying and grooming leaders at every level. We have institutionalised the ethos that in the workplace leaders create leaders.

SUSTAINABILITY

At Edelweiss, we are conscious of the fact that sustainable and responsible growth is the only acceptable model for our business. Early adopters of the sustainable development goals (SDG) developed by the United Nations, we have embraced nine of the seventeen goals.

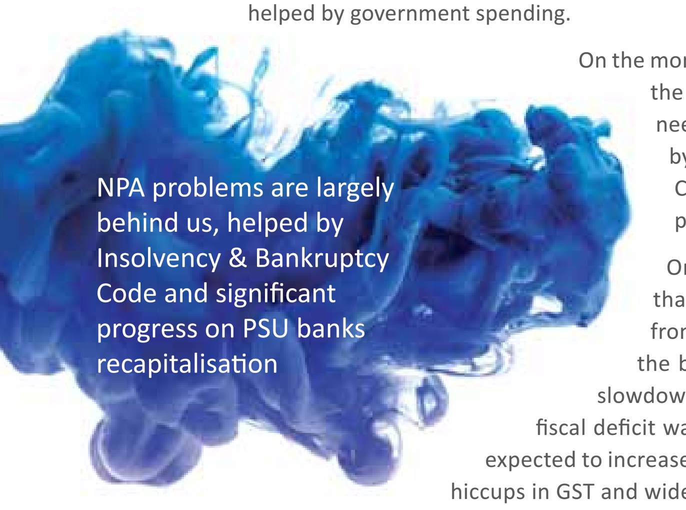
Management Discussion & Analysis Report

MACRO ECONOMY: REVIEW AND OUTLOOK

Goldilocks 2017 gave way to a volatile 2018. Rise of trade tensions between the US and China impacted the business sentiments, while US Fed's monetary tightening contributed to the global liquidity tightening. This liquidity tightening amid relatively high levels of global debt slowed down the growth momentum in the global economy in the second half of 2018.

Against this backdrop of tightening global liquidity coupled with rising crude oil prices, India witnessed a reversal in capital flows and a Balance of Payments (BoP) squeeze, thus putting pressure on exchange rate. At the same time, default by a AAA rated entity in September 2018, further impacted the sentiments in the money markets, leading to a near-freeze at one point. Bond spreads shot up significantly and risk appetite among NBFCs weakened, with focus shifting to preserving liquidity rather than chasing growth. However, as BoP situation improved and rupee stabilised towards end of 2018, RBI began to inject liquidity into the banking system. In addition, Fed's unexpectedly dovish tilt in January 2019, also supported flows to Emerging Markets. As a result, India received nearly US$7 billion of FII equity flows in Q4FY19.

However, these interim market dislocations impacted India's growth momentum. Exports slowed down in a broad-based manner, while liquidity tightening and NBFCs' risk aversion impacted pockets of leveraged consumption such as cars, two wheelers and commercial vehicles. However, there are segments in the economy which are holding up quite well. For example, infrastructure/construction growth is running at a healthy pace helped by government spending.



On the monetary policy front, RBI has cut rates thrice in 2019 so far, reversing the rate hikes of 2018. However, one area where more progress is needed is the transmission of the monetary policy, which is hampered by elevated Credit-Deposit ratio (CD) in the banking system. If the CD ratio starts to normalise, it will facilitate the transmission of policy rate cuts.

On the fiscal front, central government revenues are running slower than projected growth rates both on direct as well as indirect taxes front, although disinvestment receipts have marginally exceeded the budget estimates. In view of this, central government started to slowdown the expenditure growth in H2FY19. Overall central government fiscal deficit was maintained at 3.4% of GDP. However, government spending is expected to increase in FY20 as tax revenues pick up due to elimination of operational hiccups in GST and widening of tax base.

Overall Outlook

While global growth has been moderating for last six months, there are early signs of stabilisation. If there is any rebound in global growth, India's exports are likely to benefit. On the domestic front, monetary policy transmission is the key monitorable. Also, the political rhetoric is shifting towards stimulating the rural economy, which augurs well for the consumption pockets of the economy. Expansionary monetary and fiscal policy, both together, is a rare event and is expected to provide a significant boost to the economy. Even banking sector NPA problems are largely behind us, helped by Insolvency & Bankruptcy Code (IBC), and government has made significant progress on PSU banks recapitalisation.

Therefore, it is expected that economic activity should start to gain traction gradually during the course of FY20 though the first half may be muted. The downside risk arises from the way oil prices behave on how the US sanctions against Iran pan out, how the ongoing US China trade war ends and a sharper than expected slowdown in the global economy, which may hurt not only exports but also capital flows and sentiments.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Commercial Credit Markets

Banking Industry

FY19 has seen some improvement in banking sector's non-food credit growth which touched ~13% versus ~9% in FY18. As a result of high capex spending by government, there is a reasonable uptick in lending to infrastructure/construction pockets of the economy, while lending to the manufacturing segment is yet to see a revival.

The developments over past few months which led to liquidity crunch resulted in risk aversion towards NBFCs/HFCs as incremental liquidity became expensive. Consequently the banks benefitted from softened competition and there was marginal market share shift towards them.

FY19 also saw better asset quality performance by banks with incremental stress showing signs of moderation. Now that implementation of IBC is stabilising and it has already resolved some high profile cases, resolution and turnaround should gain speed and credit growth should also improve in FY20.

NBFC Industry

The past few months have been volatile for NBFCs with a couple of events combined with market chaos triggering fears of a liquidity crisis. However, most of these fears have remained unfounded as most players were well-capitalised to handle any short-term market dislocation. However, funding did become more expensive in this backdrop, especially for players dependent on debt market with relatively shorter duration. As a result, risk appetite waned impacting growth of the NBFC sector as they focused more on liquidity management rather than asset growth.

The recovery following that has been gradual, aided by regulator's support, and the situation is improving, albeit very slowly. The growing relevance of NBFCs also highlighted the emphasis of risk management in the sector and most NBFCs emerged stronger with better balance sheet strength and no perceptible worsening of asset quality.

Going forward, while the segment is not entirely out of woods, comfortable capital position, control on asset quality and strengthened liquidity management practices provide comfort. Within NBFCs, well run business models with stronger balance sheets, prudent risk management practices and limited vulnerability to earnings will emerge stronger.

Retail Finance

India has one of the lowest credit penetration among larger economies and retail credit presents a large growth opportunity driven by long-term trends in democratisation of credit, rising household incomes and increased consumption. Mortgages including affordable housing and Small and Medium Enterprises credit in particular present large growth opportunities.

While commercial banks again turned towards corporate credit growth, retail segment, especially mortgages, continues its momentum both for banks and NBFCs. Though the growth momentum suffered in case of NBFCs in the second half of FY19, it is gradually coming back to prior levels.

In addition to retail mortgages, the other scalable area being focused upon by all banks and NBFCs is Mudra Finance or SME finance. Looking at Indian market, SMEs continue to be under-banked and NBFCs are increasingly making headway in this sector. Thus, the potential for NBFCs and HFCs to scale up their SME credit and mortgages business remains significant.

Asset Reconstruction Industry

Asset Reconstruction Industry has come a long way since its inception and has evolved from a recovery oriented agency mechanism to an attractive investment business for revival of financially broken but potentially viable business entities and earn a reasonable risk adjusted return.

At the end of the year, Asset Reconstruction Companies' (ARCs) AuM as per our estimates were ~₹1.02 trillion having purchased gross loans of ~₹2.20 trillion from banks so far with Edelweiss ARC leading the way.

Implementation of IBC has succeeded in resolution of some high profile cases besides changing the behaviour of borrowers and has already improved the prospects of recovery. With changing environment, ARCs would increasingly become participator of a multi-platform business model with co-investors/large fund houses also bringing in funds.

Advisory

Wealth Management

The Assets under Advice of the wealth management industry continue to grow briskly

Financialisation of assets, democratisation of wealth and increasing sophistication are some of the key emerging trends Indian Wealth Management industry.

Due to increased awareness among investors coupled with various economic reforms, structurally low interest rates and increased investment choices, investors are increasingly exploring their options besides hard assets and traditional savings. Simultaneously, UHNIs and Affluent clients are progressively looking at sophisticated investment strategies and turning towards more personalised and focused investment advisory services in their quest for higher yields. This bodes well for wealth management industry. As per our estimates, the Assets under Advice (AuA) of the industry continue to grow briskly and now stand at over ₹20 trillion.

Asset Management

Asset Management industry in India offers mutual funds and Alternative Investment Funds (AIFs) to its clients. Similar to wealth management, asset management is also immensely benefitting from the shift of household savings to financial assets resulting in continued inflows in Mutual Funds (MFs) along with increasing penetration of AIFs.

Mutual Funds' AuM recorded slightly lower growth of ~11% to stand at ₹23.80 trillion as on March 31, 2019 compared to ₹21.36 trillion a year ago. Inflows into equity schemes continued this year too with the proportion of equity and equity linked savings schemes going up to 36% at the end of FY19 compared to 35% a year ago in the total AuM of MFs (source: AMFI reports). AuM under PMS and AIFs, continuing their own growth, have crossed ₹2 trillion as at the end of FY19 as per our estimates.

Alternative assets funds in the structured credit, distressed assets and real estate space also saw higher inflows of ~US$7.5 billion during the year compared to ~$4.5 billion in FY18 and their AuM stand at ~US$33.5 billion at the end of this year in India as per our estimates.

Thus the asset management inflows have been robust in FY19 which augurs well for the industry.

Capital Markets

FY19 was a volatile year for equity markets. For the year, Nifty was up 15% (vs. 10% in FY18), despite the turbulence seen in the middle of the year. India outperformed MSCI EM by 15% in FY19. As a result, India's valuation premium to other EMs has shot up significantly above its long-term average.

Akin to FY18, FY19 too was an eventful and volatile year for the bond markets with the benchmark yield continuing to rise through the first half to touch four-year highs on the back of the steep rise in crude prices and rupee depreciation. However, the softening domestic inflation trajectory has remained a major comforting factor which enabled the Monetary Policy Committee (MPC) to embark on a rate easing cycle towards the end of the year. As a result, government bond yields softened in the second half backed by easing of crude prices and subsequent recovery in the currency.

A few credit events during the second half of FY19 sparked fears of a contagion effect and institutional investors turned selective in increment credit allocation. As a result, corporate bond spreads widened significantly, particularly below the AAA rating space. While the situation is gradually reverting to normal, revival of the market is crucial with respect to the corporate bond market development roadmap for the country.

Despite the shake up in the credit markets, the issuance volume in the debt capital markets was not impacted much when compared to FY18. Public issuance of bonds, which had faded to a miniscule ₹52 billion in FY18, reached an impressive ₹367 billion in FY19. In the private placement segment, there was only a marginal rise of ~3% in overall issuance volume to ₹4.75 trillion in FY19 (source: Prime Database).

Life Insurance

Life insurance sector in India suffers from low level of penetration at ~2.72% and per capita Insurance density of only US$46.50 while global insurance penetration stands at ~3.47% with density of US$353 (source: IRDAI Report 2018). The year FY19 was a better year as the Individual APE growth of the industry was higher at ~9% touching ~₹692 billion compared to ~₹635 billion for FY18. However, within this, private sector life insurers recorded a higher growth at ~12%. With this, the private insurers increased their Individual APE market share from ~56% in FY18 to ~58% in FY19 (source: Life Insurance Council).

The industry fared well this year given strong equity markets, improving persistency and expense efficiency. However, significant scope still exists for margin expansion by a possible shift in product mix towards higher protection, morbidity and longevity (annuities) products from savings and investments. Similarly, development of proprietary channels, direct and agency, can also aid the process.

General Insurance

The General Insurance Industry had another robust year in FY19. However the growth was not secular and private non-life insurers and standalone health insurers captured most of it. For the first time, post liberalisation, private non-life insurers overtook public sector insurers in terms of premium market share with the former capturing 48% of the market against 40% by the latter. For the private general insurers, Motor Third Party (TP) Liability and Group Health were segments driving growth, growing at 34% and 62% respectively during the year (source: IRDAI).

The non-life insurance penetration for the country has improved to 0.93% of GDP in 2017, but it still continues to be significantly below the world average of 2.8% (source: IRDAI Annual Report FY18). However, there are several changes happening across the non-life insurance landscape; new products, new players, innovative services, progressive regulations, etc. All these factors make it an exciting and dynamic Industry with immense headroom for growth.

EDELWEISS OVERVIEW

A WELL DIVERSIFIED FINANCIAL SERVICES GROUP

Edelweiss commenced its journey in the year 1995 on founding pillars of its Values and beliefs. Starting from small foot print in the area of investment banking and advisory services, today's Edelweiss is a reflection and a reinforcement of the journey we started in 2008 with the diversification of businesses. In 2008, we realised that reliance on limited business lines for majority of our earnings could prove detrimental in the long run. We then started a process of diversification that saw us entering into businesses like Asset Reconstruction, Wealth Management, Retail Credit and Life Insurance, businesses which form the core of our organisation today. Thus, we have grown to become a bank like diversified financial services group. Today, we are one of India's largest diversified financial services platform, helping over 1.2 million customers in the far reaches of the country fulfil their dreams and aspirations.

EDELWEISS STRATEGY

In India, the BFSI industry is flanked by financial services companies that are largely monoline in offerings and the banking sector that is multiline in nature. As a diversified financial services company, Edelweiss straddles the sweet spot between banks catering to all segments of society and the largely monoline financial services companies that are focused on one or two asset classes. Edelweiss has consciously followed a strategy of building a bank like fully diversified financial services firm in a non-banking company structure.

Edelweiss's growth over last two decades has come out of the focus on building capabilities to service different customer segments, building talent pool and skill set and developing agility and flexibility to adapt to the ever changing environment. Innovation and offering products and services that are customised to fulfill the needs of the customer have led us to deliver higher values to customers. Our focus on self-defined rules of good behaviour coupled with embracing newer technology to service customers has contributed significantly to growth. At the broader level, our strategy and key business tenets continue to be to improve or build **profitability, scalability, sustainability, management quality** and **governance**.

Over the years, Edelweiss has also demonstrated its ability to reinvent itself at the turn of each economic and business cycle. Every setback is an opportunity to recalibrate, and fortunately in India there's always an opportunity and we have always been counter cyclical while making investments in new businesses. This element of adaptability and flexibility adds significant tail winds to our strategy implementation and growth efforts. Along with our people and our culture, together these are the pillars of what we are today. And all this while, we stayed true to our guiding principles: Ideas create and values protect.

EDELWEISS FINANCIAL SERVICES LTD. (EFSL) FINANCIAL PERFORMANCE HIGHLIGHTS

Over the last 23 years, we have experienced various growth phases in our journey – right from birth pangs up to FY2000 to hyper growth from FY05-FY08. This was followed by the painful consolidation of the post-crisis era till FY12 and then to the balanced and mature growth phase. We are now in the midst of the scale-up phase. At the same time, following our long-term growth strategy, we have emerged stronger after each downturn in the economy and markets.

CONSOLIDATED RESULT – FY19

A summary of consolidated FY19 financial performance of EFSL and its comparison with FY18 performance as per Ind AS is as under:

Total Revenue
₹108.82 billion
(₹89.20 billion for FY18), up 22%

Profit after Tax
₹9.95 billion
(₹8.63 billion for FY18), up 15%

Profit after Tax Ex-insurance
₹11.93 billion
(₹10.11 billion for FY18), up 18%

Group Net Worth
₹87.15 billion
(₹78.26 billion for FY18), up 11%

Return on Equity Ex-insurance
17.6%
(20.3% for FY18)

Return on Assets Ex-insurance
2.4%
(2.5% for FY18)

Diluted EPS
₹11.09
(₹10.12 for FY18)
(FV ₹1)

Book Value per Share
₹86.48
(₹79.06 at the end of FY18)
(FV ₹1)

In continuation of our long-term growth trajectory, Consolidated Profit after Tax (PAT) is up 15% YoY to ₹9.95 billion and we have seen a CAGR of 34% in PAT over FY12, making us one of the fastest growing financial services companies. At the same time, Consolidated PAT ex-insurance is up 18% YoY to ₹11.93 billion with a CAGR of 36% over FY12. Return on Equity (RoE) ex-insurance is 17.6% for FY19. As we gain scale, we are grateful to all stakeholders for helping us build this robust platform.

FINANCIAL HIGHLIGHTS

Income

Total revenue for FY19 was ₹108.82 billion compared to ₹89.20 billion for FY18, a growth of 22%. Out of this, fund based revenue was ₹76.67 billion for FY19 (₹59.60 billion for FY18), up 29%. It mostly comes from interest on loans, reflecting the scale up in the average credit book during the year.

Fee & commission revenue was flat at ₹21.33 billion for FY19 (₹21.38 billion for FY18). While the fees from Distressed Credit business were higher, the fees from other Advisory businesses were lower during the year due to subdued market environment despite scaling up of these Advisory businesses.

After deducting the finance cost, Net Revenue for FY19 was ₹61.63 billion (₹50.43 billion for FY18), up 22%.

Life insurance business recorded a net premium of ₹8.84 billion for FY19 (₹6.01 billion for FY18), a growth of 47%.

Our diversified revenue streams ensure constant growth across cycles despite volatile environment.

Expenses

Total costs for FY19 was ₹91.38 billion (₹75.71 billion in FY18), up 21%. Within total costs, other operating expenses grew by 30% in FY19 as we continued to invest in scaling up younger retail businesses.

Employee expenses grew by 20% in FY19 as we continued hiring to support growing businesses. As the size of our operations grew and as we became ~₹540 billion asset company, it was also imperative to strengthen the organisation and we have added people at all levels, including over 160 senior professionals in Business Groups as well as Enterprise Groups. We added about 1,358 employees during FY19 taking the year end head count to 11,410, a growth of 14%, resulting in the employee expenses growth.

Interest expense growth was contained at 22% in FY19 on the back of higher average borrowings during FY19. At the end of FY19, borrowings were lower at ₹452.17 billion compared to ₹480.31 billion a year ago, degrowth of 6%. Liquidity crunch and the aversion of mutual funds to lend to NBFCs in the second half of FY19 resulted in repayment of bulk of short term borrowings from them and in this environment we focused more on risk management rather than asset growth. The short term borrowings were also replaced with more stable long-term borrowings resulting in cost of funding also marginally going up to 9.6% in FY19 compared to 9.3% in FY18.

Profit After Tax

Profit after Tax and Minority for FY19 was ₹9.95 billion compared to ₹8.63 billion for FY18, a growth of 15%, which was mainly due to 29% increase in Fund based income and higher fees income from distressed credit business during FY19. Return on Equity on consolidated basis for FY19 was 13.4%, down from 15.7% a year ago.

Our profits continue to be contributed by a diverse set of businesses eliminating cyclical volatility in performance.

Profitability Ex-Insurance

Our life insurance business is relatively young and given the long gestation period of life insurance companies, it is still incurring losses, which is as per the plan. Further, general insurance business, launched a year ago, will also continue to impact consolidated profitability till it breaks even.

Excluding the impact of losses in insurance business, net profit for FY19 is ₹11.93 billion compared to ₹10.11 billion in FY18, a growth of 18%. Return on equity ex-insurance comes to 17.6% compared to 20.3% for FY18. Cost to Income Ratio ex-insurance marginally increased to 50% compared to 47% for FY18 on account of continued investment in Retail Businesses including Retail Credit, Affluent in Wealth Management and Insurance.

Business-Wise Analysis of Profitability

Operations of Edelweiss are organised around **three broad business groups – Credit business** including Retail Credit, Corporate Credit and Distressed Credit, **Advisory business** including Wealth Management, Asset Management and Capital Markets, and **Insurance** including Life and General Insurance.

The business-wise financial data based on Management's estimates for FY19/as on March 31, 2019 is in the adjacent table:

₹ in billion

	End of Period Equity	Profit After Tax	RoA	RoE
Pre-Minority Total	**87.15**	**10.44**		
Credit	48.70	7.52	2.0%	15.7%
Distressed Credit	18.69	4.17	6.2%	28.4%
Advisory	1.92	2.92		
Insurance	10.48	(3.30)		
BMU, Corp & Others	7.36	(0.87)		
Less Minority Interest (MI)	10.38	0.49		
Total Consolidated Post MI	**76.77**	**9.95**	**1.8%**	**13.4%**
Total Ex-Insurance Post MI	**70.84**	**11.93**	**2.4%**	**17.6%**

Notes: Numbers are Management Estimates.
RoE is calculated on Average Equity

While the Credit businesses continue to be the significant driver of growth in profits, the Advisory businesses have steadily scaled up during FY19, backed by investment in these businesses over the last few years. However, the profitability of capital markets business suffered during the year given the subdued capital markets in the country impacting the overall profitability of the Advisory businesses, even though the Wealth and Asset Management businesses improved their profitability in FY19 compared to FY18. At the same time, capital light businesses viz., Distressed Credit business, Wealth and Asset Management businesses and Capital Markets, continue to scale up and contribute over 50% to our profit after tax ex-insurance (pre-MI).

Presence in large and emerging opportunities in India has helped us diversify our earnings base to be able to withstand any shocks in the market. At the same time, over the last few years we have established leadership position in several of these emerging opportunities. As a measure of our leadership position in the industry, Edelweiss businesses won 49 awards during this year.

Balance Sheet

The effective Balance Sheet size at the end of FY19 was ₹539.32 billion compared to ₹558.58 billion at the end of FY18, a drop of 3%. Following the liquidity squeeze in the markets September 2018 onwards, we prudently set out to control asset growth and significantly increased liquidity cushion. Hence the overall size of the balance sheet came down to ₹539.32 billion as on March 31, 2019 compared to ₹594.33 billion as on September 30, 2018. The asset side of the balance sheet includes credit book of ₹435.10 billion besides BMU's liquid assets like FDs, Government Bonds and cash balances of ~₹65.27 billion for the purpose of liquidity management.

On the liability side, total net worth was ₹87.15 billion as on March 31, 2019 compared to ₹78.26 billion as on March 31, 2018. Debt as on March 31, 2019 was ₹452.17 billion (₹480.31 billion as on March 31, 2018). However, for the purpose of liquidity management we hold liquid assets in treasury book and excluding such assets the Net Gearing Ratio stands at 4.4 times as on March 31, 2019 compared to 5.0 times a year ago. As detailed later in this report, we have received equity infusion of ₹10.40 billion from CDPQ in our flagship NBFC subsidiary ECL Finance on May 07, 2019. Including this in the networth, the Net Gearing Ratio improves to 3.9 times. Capital Adequacy Ratio on consolidated basis based on RBI norms for NBFCs was 18.0% at the end of FY19.

ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

As per the recent amendments to the SEBI Listing Obligations and Disclosure Requirements (LODR), we give below additional information in respect of financial parameters that are applicable to our company:

1. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor as under:

   (a) **Debt Equity Ratio**

   The Debt Equity Ratio as on March 31, 2019 stood at 5.2 times compared to 6.1 times as on March 31, 2018, an improvement of 15%. At the same time, Debt Equity Ratio excluding BMU's liquid assets as on March 31, 2019 stood at 4.4 times compared to 5.0 times a year ago, an improvement of 10%.

   (b) **Profit before Tax Margin (%)**

   The Profit before Tax Margin for FY19 was 16.0% compared to 15.1% for FY18, a growth of 6%.

   (c) **Net Profit Margin (%)**

   The Profit after Tax Margin for FY19 was 9.1% compared to 9.7% for FY18, a drop of 6%.

   Other parameters, namely Debtors Turnover, Inventory Turnover, Interest Coverage Ratio and Current Ratio, are not applicable to our company.

2. Details of any changes in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

   Return on Net Worth, i.e. Return on Equity (RoE), on consolidated basis for FY19 was 13.4%, down from 15.7% a year ago. RoE has declined in FY19 due to full year impact of ₹15.28 billion equity raised in December 2017 by way of QIP, subdued capital markets leading to a 45% degrowth in net revenue and 55% degrowth in profit after tax in capital markets business in FY19 year on year, and challenging environment in the second half of FY19 where risk management was the prime focus rather than chasing asset growth.

   Return on equity ex-insurance comes to 17.6% for FY19 compared to 20.3% for FY18 for similar reasons.

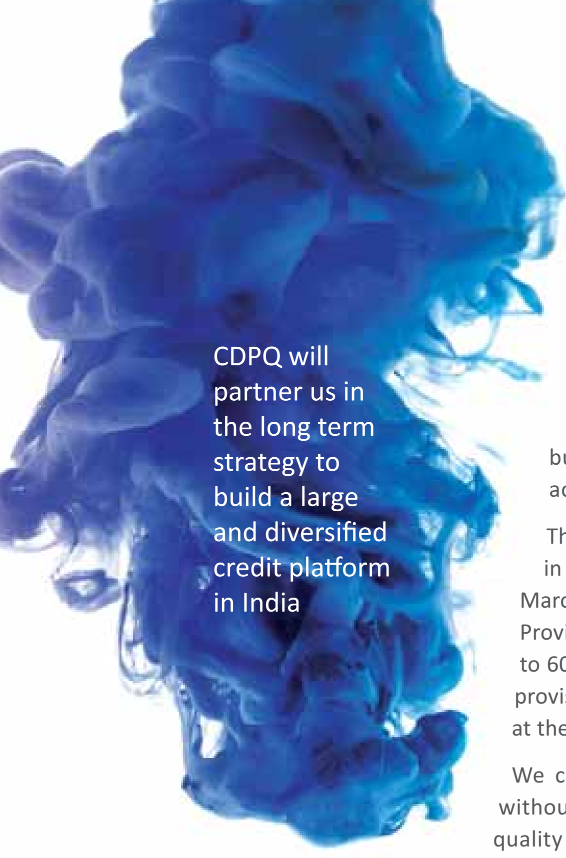
BUSINESS SEGMENT-WISE PERFORMANCE

Brief highlights of business segment-wise performance in FY19 are as under:

CREDIT BUSINESS

Credit business of Edelweiss is a mix of diversified and scalable businesses. It consists of retail credit, corporate credit and distressed credit business. The retail credit segment offers mortgages including home finance, retail construction finance and loan against property, SME finance, agri & rural finance and ESOP and margin funding. Corporate credit business offers the full range of credit products including both cash flow based loans and structured collateralised credit to corporates and real estate finance to developers. Distressed credit business offers resolution of distressed assets including turnaround advisory services.

At Edelweiss, we have built a significant competitive position in the credit business which has both robust size and scalability. Our growth aspiration is fueled by a deep understanding of customer needs and an innovative product suite aligned to meet their requirements. Our competitive edge will come from investments in direct technology platform and next generation data analytics as we scale across future growth vectors – SME, affordable housing, agri-loans and rural finance.



CDPQ will partner us in the long term strategy to build a large and diversified credit platform in India

Total credit book stands at ₹435.10 billion at the end of this year compared to ₹420.10 billion at the end of previous year, a growth of 4%. The book comprises of retail credit ₹180.75 billion (42% of total book), corporate credit ₹180.55 billion (41%) and capital deployed of ₹73.80 billion in distressed credit business (17%). Retail credit and corporate credit now have equal share as the corporate credit share has declined from 46% in FY18 to 41% in FY19 in line with strategy. Credit business (retail and corporate credit) maintained Net Interest Margin (NIM) across business cycles with FY19 NIM at 7.1%.

The asset quality of the overall credit book continued to remain under control in spite of headwinds with Gross NPLs at 1.87% and Net NPLs at 0.83% as on March 31, 2019 compared to 1.75% and 0.70% respectively a year ago. The specific Provision Coverage Ratio (PCR) on Gross NPLs was 56% at the end of FY19 compared to 60% at the end of FY18. Total Provision Cover including the expected credit loss provision on stage I and II assets is 120% at the end of this year compared to 118% at the end of FY18.

We continue to focus on risk management and achieving growth in the book without diluting risk standards. Thus we have been able to maintain stable asset quality across cycles in spite of headwinds and gradual transition to 90+ Days Past Due (DPD) norms from 180+ DPD since April 01, 2015.

Agreement with CDPQ

Towards the end of FY19, we announced an agreement with CDPQ, one of North America's largest pension fund managers, in terms of which CDPQ will invest ~US$250 million (around ₹18 billion) in ECL Finance, our flagship NBFC arm. CDPQ will partner us in the long-term strategy to build a large and diversified credit platform in India. This investment also ensures that ECL Finance has the requisite resources for growth, organic and inorganic, to take advantage from expected industry consolidation. The first tranche of US$150 million (₹10.40 billion) has been received on May 07, 2019.

RETAIL CREDIT BUSINESS

As a part of our long-term strategy to focus on large, scalable credit opportunities in India, Edelweiss offers housing finance including small ticket housing loans, retail construction finance, loans against property (LAP), rural finance and loans to SME under retail credit business.

This business operates through 163 branches in 135 cities and over 1,700 villages with a client base of ~152,000. We expanded our footprint in 17 new cities this year as part of infrastructure build up for scaling up this business. This business had built a book of ₹118.77 billion at the end of FY19 compared to ₹92.12 billion at the end of FY18, up 29%. The loan to value ratio in its home loans and LAP portfolio remained at a comfortable level of ~45%.

Retail Mortgage Finance

Retail mortgage finance business offers a blend of loans to home owners and home buyers. It operates in 96 locations. This business had a book of ₹89.96 billion at the end of FY19 compared to ₹66.72 billion a year ago, a growth of 35%.

SME Finance

SME finance business, our key focus areas in retail credit, caters to the underserved and highly scalable market. It operates in 108 locations, up from 88 at the end of FY18. This business had a book of ₹27.45 billion at the end of FY19 compared to ₹22.27 billion a year ago, a growth of 23%.

OTHER RETAIL CREDIT BUSINESSES

Agri Credit

Agri Credit business in India is significantly large with the unique characteristic of being fragmented and dominated by unorganised / non-institutional participants. Essentially, we look at this from an end-to-end value-creation perspective – sourcing of commodities, making credit available to the participants in the value chain and arranging capacity for storage of agricultural produce leading to efficient distribution and lower wastage.

Agri credit book stood at ₹2.63 billion at the end of FY19 compared to ₹8.85 billion at the end of FY18. We manage 471 leased warehouses with a storage capacity of ~1.6 million metric tons with tie-ups with 21 banks for collateral management.

Total Retail Credit Portfolio

Thus retail credit business (retail mortgages, SME and rural finance) has a book of ₹118.77 billion. In addition, Agri credit along with ESOP and margin funding to retail clients and other retail loans aggregate ₹61.98 billion at the end of FY19. Taken together, total retail credit portfolio stands at ₹180.75 billion compared to ₹161.88 billion at the end of FY18, a growth of 12%. Total retail credit book has grown at a CAGR of 44% over FY15.

Retail credit accounted for 42% of total credit as at the end of FY19 compared to 39% a year ago and is poised to increase its share further going forward. This will also be aided by the strategy under which going forward corporate credit will be extended by us more through fund structures rather than by way of exposure on our own balance sheet.

DISTRESSED CREDIT BUSINESS

Distressed credit business comprises Edelweiss Asset Reconstruction Company (EARC), distressed funds and turnaround advisory services.

EARC scaled up its business with AuM of ₹466 billion at the end of FY19 compared to ₹441 billion at the end of FY18. EARC has already created a track record of resolution of assets of over ₹298 billion by the end of FY19 through a combination of resolution strategies with revival and business turnaround being the foremost. Recoveries during FY19 were significantly higher at ₹70.19 billion compared to ₹25.74 billion in FY18 and have recorded a CAGR of 155% over FY17. The recovery scenario got a major boost during FY19 with the successful resolution of a number of large accounts under IBC. Our acquisitions continue to generally target EBIDTA positive operating assets which are financially broken and can be revived and we have a robust pipeline for future growth.

Edelweiss ARC has been able to maintain its market leadership with a market share of around 45-50%. We have partnered with over 50 banks backed by our unmatched expertise on resolution of stressed assets.

With the changing environment, Edelweiss Distressed Credit business has all the necessary tools for resolution of stressed assets: largest ARC in the country, largest India focused stressed fund and the most experienced turnaround team.

ADVISORY BUSINESS

Advisory businesses include **Wealth Management, Asset Management** and **Capital Markets**.

WEALTH MANAGEMENT

We are one of India's fastest growing and amongst the top three wealth management businesses as per our estimates. The wealth management Assets under Advice (AuA) grew at 18% to ₹1,060 billion in FY19 compared to ₹901 billion in FY18. AuA has grown at 56% CAGR since FY15.

The wealth management business provides a comprehensive array of financial solutions to New Age Entrepreneurs, Family Offices, Corporate Treasuries, C-Suite Executives and Professionals.

The competitive edge of this business emanates from our specialisation around selected client segments and offering them:

Specialist Relationship Managers | **Bespoke Value Proposition** | **Product Innovation** | **Digital Platform**

The business serves the needs of ~2,000 Ultra High Networth (UHNW) families and ~485,000 Affluent clients across all major locations in India.

Our Wealth and Asset Management businesses will also fuel our growth

Our offerings include:

- Family Governance, Wealth Structuring, Inheritance planning
- Investment Management: across all asset classes
- Risk Management
- Financing: ESOP (Employee Stock Options), margin funding
- Insurance Advisory
- Philanthropy

During the year, we continued to make strategic investments:

People:

- We have scaled up RMs team ~45% to over 1,300 in FY19 from over 900 in FY18. Out of these, around 1,060 cater to UHNW and Affluent clients
- We have set up Wealth Management Learning Academy to enhance RM capabilities

Digital:

- Our award winning mobile trading app (Edelweiss Mobile Trader) crossed one million downloads and is highest rated app in the country with 4.6 rating
- Advisor Edge will provide real-time client portfolio analytics and client experience tools

The business has been globally recognised and awarded:

- **Best Private Bank, India:** Global Finance, Best Private Banks, 2019
- **Best Private Bank, India:** Asiamoney, Best Bank Awards 2018
- **Best Wealth Manager, India:** The Asian Private Banker, 2018
- **Best Wealth Manager, India:** The Asset AAA Best Private Banking Awards 2018

ASSET MANAGEMENT

The Asset Management business provides clients with a comprehensive bouquet of investment solutions. Our offerings include bespoke alternative strategies and mutual funds.

Alternatives

We have been pioneers in alternative asset management business in India and today we are amongst the most diverse alternatives product platform in the country. We are focused on credit and yielding strategies that seek to preserve and grow client capital. Our investing strategies span across performing credit, stressed/distressed credit, real estate and Infrastructure financing in addition to liquid alternative strategies such as hedge funds and PIPE funds.

Our clients include large global pension funds, insurance companies, domestic high networth individuals and institutions.

We manage assets worth ₹255.80 billion at the end of FY18 compared to ₹176.70 billion a year ago, growth of 45%. AuMs have grown at CAGR of 92% since FY15.

Recently, we closed second stressed assets fund (Edelweiss India Stressed Assets Fund II) at US$1.3 billion, the largest Asia focused private debt fund of 2018 (source: Preqin 2019 Global Private Debt League Tables). This fund will invest into companies that have a viable business model but have stretched balance sheets due to poor capital structure.

Mutual Funds

The Mutual Fund business manages an AuM of ₹114.00 billion under 32 schemes across Equity, Debt and Liquid categories. AuM has grown at a CAGR of 94% since FY15. The business has improved its ranking to 20th from being 36th in 2016 and caters to around 178,600 unique investors, compared to 117,800 at the end of FY18.

Edelweiss was appointed as the Asset Manager for Debt ETF by Ministry of Finance, Government of India.

The aggregate AuM of Global Asset Management business stands at ₹369.80 billion as at the end of FY19 and have grown at 91% CAGR over ₹27.70 billion at the end of FY15.

CAPITAL MARKETS

Capital Markets businesses offer **Investment Banking, Institutional Equities, Prime Broking services** and **Fixed Income Advisory services**. The year FY19 was a subdued year with weak capital market environment. However, structurally the business continues to be on a strong footing and continues to perform in line with the market.

Edelweiss continues to be among leaders in Investment Banking and has executed 21 transactions in FY19 thereby increasing its market share in the year. We were ranked 1st in terms of number of IPO and QIP deals closed in FY19 (source: Prime Database). We also closed large and marquee advisory deals in infrastructure, logistics and defense space.

Fixed Income Advisory business complements fund based credit business by helping corporates raise debt capital from public or institutions.

Edelweiss maintained its number one position in public issuance of bonds for the 5th year running. We were lead arrangers to ~98% of the amount mobilised via this route (source: Prime Database). With expertise developed and sharpened over the years, we expect rapid growth in this segment which will bring in diversified investors to the bond markets.

As regards private placement segment, we were able to enhance market share to 16% in FY19 versus 11% in FY18. Consequently our league table position also improved to 10th (source: Prime Database). We were arrangers to 50 issues aggregating ₹763 billion compared to ₹516 billion in FY18.

During FY19, we also closed seven debt restructuring and debt syndication transactions.

Institutional Equities business provides equity and equity-derivatives sales and trading services to a large base of over 750 FIIs and DIIs. We continued to be among the largest Indian domestic Institutional Broking Houses with a market share of 4 to 4.5% by revenue as per our estimates.

INSURANCE BUSINESS

Edelweiss expanded its addressable retail markets by entering into insurance business during 2011 with the launch of life insurance business. Later on, during Q4FY18 we completed our offering by launching general insurance business.

LIFE INSURANCE

Edelweiss launched Edelweiss Tokio Life Insurance Company (ETLI) in 2011 in partnership with Tokio Marine of Japan. It was launched with a capital of ₹5.50 billion – among the highest start-up capital for any Indian life insurer. Edelweiss holds 51% equity in this JV with Tokio Marine holding the rest.

Edelweiss Tokio is one of the fastest growing life insurance companies in India with significant improvement in operational metrics. Gross premium of this business in FY19 was ₹8.85 billion compared to ₹6.21 billion in the previous year, a growth of 43%. Collected Individual APE grew by 36% to ₹3.40 billion in FY19 with a CAGR of 35% since FY16 compared to 16% recorded by the industry. Overall VNB Margin has improved to 42% in FY19 compared to 33% a year ago. Overall 13th month persistency grew from 80% in FY18 to 83% in FY19 and Individual Claims Settlement Ratio improved from 95% in FY18 to 96% in FY19. The Embedded Value of this business, calculated on market consistent basis, stands at ~₹15.70 billion as on March 31, 2019.

It continues to expand its distribution footprint across agency, partnership and direct channels. At the end of FY19 Edelweiss Tokio had a footprint of 121 branches in 93 major locations/cities in India. The agency channel force has also scaled up with the number of Personal Financial Advisors crossing 43,600 by the end of this year compared to ~31,000 a year ago.

It offers 33 individual and seven group products designed to meet various needs of diverse customers.

Edelweiss Tokio has also won several awards this year as under:

- **Best product innovation** award for **Zindagi Plus**, a new product launched this year, at Golden Star Awards & India Insurance Summit
- **Innovative Product/Service** at Golden Peacock Award 2018
- **Best Product Innovation** at Golden Globe Tigers Awards 2018 and Times National Awards for Marketing Excellence

GENERAL INSURANCE

Edelweiss strengthened its retail foray and increased the breadth of solutions offered to customers, both corporate and individual, with the launch of general insurance business in February 2018, through its 100% owned subsidiary Edelweiss General Insurance Co. Ltd. (EGIL).

EGIL crossed the ₹1 billion premium mark in the very first year itself, besides achieving many other milestones. The Edelweiss Group platform with diversified retail and corporate businesses offers a compelling leverage model for EGIL. We also developed external distribution partnerships which contributed to over 50% of the revenue. The year was also devoted to get the core systems, processes and infrastructure in place. We received approvals for 24 products in FY19. We have created a network of over 1,000 auto garages for cashless claims and a hospital network of close to 6,000 through a Third-Party Administrator with 2,500 direct tie-ups to build the service infrastructure. Thus we now have a robust foundation with a diverse mix of products and channels to support scale up of the business.

The first year of operations was also marked by many other milestones including launch of 'Health 241' a unique Health Insurance product, first of a kind in the market which offers cover '2 years of cover 4 1 year's premium' in case of no claims in year 1.

The EGIL website also demonstrates our differentiated approach and is a significant departure from the category convention in language, navigation, design and user experience. The best practices of user interface and user experience (UI/UX) have been deployed in the development of the website with the result that the customer's journey for purchase of motor or health insurance products is amongst the simplest in the category.

Other key initiatives include innovative services for health insurance customers and hosting of all applications on Amazon Web Services (AWS), becoming the first Insurer to do so in India and South Asia, which in turn enables agility and scalability. We have already won three awards for our technology.

Every initiative is held up to a 'moral compass' which tests its impact in terms of making customer's experience easier, the anchor for strategy and the way to win in a market with increasingly commoditised products.

Our belief and conviction comes together in our positioning statement which quite simply says **Take us for Granted** to customers.

BALANCE SHEET MANAGEMENT UNIT (BMU)

Balance Sheet Management

The BMU manages Group's liquidity in a way similar to that of treasury of a commercial bank. As a part of this process, we have developed a set of **Balance Sheet Management Rules** to measure, monitor and change key metrics and positions to ensure a healthy Balance Sheet and these are benchmarked to international best practices.

Asset Liability Management Committee (ALCO)

Edelweiss ALCO manages **allocation of capital** among businesses along with **Asset Liability Management (ALM)**. It also manages the Group's **interest rate** and **liquidity risks** besides a host of other crucial functions.

Liquidity Cushion

BMU ensures that an adequate liquidity cushion is maintained at all times to take care of immediate requirements while continuing to honour our commitments as a going concern. At the end of FY19, we maintained liquidity cushion to ₹53 billion, which is around 12% of borrowings, compared to ₹52 billion a year ago. In addition, we hold other high quality liquid assets of over ₹47 billion which can be liquidated within a period of 120 days, if the need arises. With this, a large part of balance sheet is liquid and can be converted into cash in a fairly quick time span.

With enhanced monitoring of liquidity cushion, we could successfully navigate the tight liquidity situation in the second half of FY19 meeting our entire maturing obligation on time or even ahead of time in some cases.

Maintaining Liabilities Profile in Sync with Lengthening Assets Profile

Besides maintaining a liquid balance sheet, we continue to **reduce dependence on market borrowings, diversify sources of borrowings, diversify the type of instruments through which we borrow and increase liabilities in the medium to long-term buckets**. During FY19, we have reduced dependence on CP borrowings to 2% from 14% YoY and the borrowings from NCDs and bank finance account for 93% of total borrowings at the end of FY19 compared to 78% a year ago. Retail borrowing has been established as stable funding source by raising ₹66.40 billion, including ₹28.91 billion through two public issues by ECL Finance during FY19. The retail borrowings share has increased from 13% at the end of FY18 to 23% at the end of FY19 in the total borrowings. Borrowings from Mutual Funds, including NCDs and CPs, have come down significantly to 15% of total borrowings at the end of FY19 compared to 29% a year ago.

We also enhanced total sanctioned bank lines of credit at the end of FY18 to ₹242 billion compared to ₹230 billion a year ago. Overall share of long-term borrowings has increased from 58% to 61% YoY.

As a result of the pro-active steps taken by us, we not only have a comfortably matched ALM profile, we have further improved it.

OPPORTUNITIES

The macro economic developments in India as well as the rest of the world detailed earlier augur well for growth of financial services in India for firms like Edelweiss and offer immense opportunities in FY20 and beyond as under:

- The financialisation of Indian household savings, low credit penetration and increasing consumption are already presenting newer opportunities for financial services including credit, asset management, wealth management and insurance which are our major businesses and are ready to capture a fair share of growth.
- The projected growth in the Indian economy at ~7% in FY20 would continue to throw up vast opportunities for us to grow various diversified businesses.
- Democratisation of credit, increased availability of credit for SME sector and the Government's push for affordable housing and "Housing for all by 2022" augur well for companies like ours which have already secured a strong foothold in retail credit segment.
- Emerging trends in technology and move towards formal and cashless economy have also opened up new client segments which firms like ours can exploit for future growth.

THREATS

While the opportunities landscape is promising, following threats could dampen the growth of financial services sector in India:

- Slower than expected recovery of macro-economy, domestically as well as globally or a prolonged trade and tariff war between the US and China can impact the growth.
- Increase in oil prices on the back of US sanctions against Iran or delay in revival of capex cycle can also impede growth.
- If the current tight liquidity situation does not normalise soon, it could affect the natural growth of the NBFC sector.
- While the monsoon is predicted to be normal this year, any unforeseen failure of the monsoon can hinder the recovery in rural economy.

OUTLOOK & STRATEGY

The coming year is an important one in India's 2025 journey to a GDP of US$5 trillion. The economy has started regaining its old vigour. While global factors will always have a role to play as long as we are dependent on imported oil, our belief in the long-term India story continues to remain the same and there will be growth opportunities all across in the India of the future.

In our markets, with inflation coming down, the outlook for interest rates remains positive. The government will now re-enter into an expansionary mode and with the regulator also pushing growth through rate cuts, we expect growth to come back soon, albeit in a more calibrated manner.

The new normal will also need a tweak in the way NBFC industry does business. There will be an enhanced focus on liquidity management and liability side of the balance sheet – something which was on the backburner in the last 3-4 years of growth. Not only will the industry focus on more stable borrowing, improving the cost of this borrowing will be a key vector in value creation going forward. Given the above scenario, we should expect a muted first half in FY20 with normalcy returning in the second half.

As we look ahead for Edelweiss, we see lot of promise and opportunity. But we also see the need to be careful, calibrated and efficient. At Edelweiss, we have done fairly well in managing risks till now while balancing this with the growth vector and we should be able to combine scale and efficiency. Part of this efficiency will come from reducing complexity and part from constant focus on productivity and technology. Scale will come with the massive opportunity that India is providing. We expect to not only capture this opportunity but to do so in the most efficient manner possible.

In preparation for the next phase of growth, we have raised equity in flagship NBFC, ECL Finance, though the credit business will prioritise conserving liquidity and maintaining asset quality over book growth in the first half of FY20. Our modest debt to equity ratio provides us ample headroom for growth. Advisory businesses will focus on scale and maintaining leadership position. Insurance will focus on execution. In order to help business groups operate as independent business groups and focus on growth, scale and enhanced Governance, we will also simplify our business structure by end FY20 by transitioning into three self-contained Strategic Business Groups (BGs) viz. Credit, Advisory and Insurance. The number of subsidiaries in our Group is also slated to go down to around 32 by FY22. The Corporate Centre will continue to exercise Group level oversight on Risk, Strategy, Leadership and Culture in the revised structure.

GOVERNANCE

At Edelweiss, we recognise the importance of Governance in financial services sector and therefore, Governance is at the heart of everything we do and it transcends beyond compliance extending to ethics and values as well.

Governance in our vocabulary stands for **Trust** covering Ethics & Integrity, **Legitimacy** encompassing Transparency, Authenticity and Fairness, **Accountability** including Decision-making, responsiveness, **Competence** highlighting Simplicity, and above all **Respect** for letter and spirit of law.

Governance culture begins at the top where Board sets a very high benchmark on the standards to be adhered to. Board at its level constantly reviews the skill set required at Board level from competence, experience and diversity perspective and strives to augment for newer skill sets required to meet the changing business needs of the Group. Boards of the Group set higher standards on ethics, integrity, transparency and fairness leading us to build good framework for conduct, behaviour and process oversights at organisation level.

With a view to promote and harness good Governance culture, we have self-defined rules for good behaviour and conduct at individual as well as at entity levels. Frameworks have been in place on issues of Conflict of Interest, Insider Trading, dealing with sensitive information, etc.; Learning from some events that have unfolded in the environment, our focus on governance has become even sharper. We are continuously recalibrating some of practices on the process of decision making and enhancing disclosures on a voluntary basis much beyond the requirements stipulated under law. We are striving to simplify structures and processes to align with the business segregation besides enabling simplicity to meet the varied needs of stakeholders.

RISK MANAGEMENT

Risk management is integral part of business at Edelweiss. The good risk management practices of the Group have facilitated navigating through environmentally turbulent times. While we have been managing various risks, a need for holistic approach to risk management led us to embrace yet another long journey towards **Enterprise Risk Management** (ERM). This we believe would strategically benchmark our practices to the best in class levels in ensuing years. Recognising importance of embedding risk management at organisation level, Edelweiss has focused on making this every individual's agenda by creating first level of defence at individual level thus defining DNA of the organisation.

The risk functions at business and Group level continue to strive towards creating early warning signals for risk events

Financial services industry has been impacted in recent past with events relating to risks and governance. Taking clue from this, we have strengthened oversight at Board level through Board Committee on Risk focusing on all vectors of risk at entity level. To augment the Board Committee, **Enterprise Risk Management Council** comprising of senior management personnel has also been constituted. ERM council is creating framework to Assess, Avoid, Manage and Mitigate risks across business verticals on a continuous basis. Our in-house **Eleven-risk framework** coupled with risk governance structure that includes business level risk team, Global Risk Group at the Corporate Centre, Global Risk Committee, ERM Council and the Board Risk Committee protects Edelweiss and ensures that there are enough defences available to control all types of risk events.

The risk functions at business and Group level continue to strive towards creating early warning signals for risk events of various nature.

Respect for Risk is central to every business decision at Edelweiss. Simple questions are to be answered before every decision, i.e., **Is it worth it?** and **Can we afford it?**. This principle based approach has stood well in protecting the organisation from vagaries of external world.

As a result of the focus on risk management, Edelweiss recently won the **Golden Peacock Award for Risk Management for the Year 2018** under Financial Services Category.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Financial Controls

The assurance function at Edelweiss aims to establish framework to ensure on a continuous basis the effectiveness of risk management practices at each business unit level through process and control reviews. To enable the culture of adherence to process, various awareness programmes, trainings and workshops are organised across business units. The Internal Control Framework of Edelweiss endeavours to strengthen the overall assurance practices, processes, controls, sharing of best practices, conducting periodic assessments, establishing and overseeing control dashboards. Assurance has come out with its **CARES** philosophy which stands for:

- **C**areful in managing risks through appropriate controls on who takes the decision, process followed in arriving at the decision and oversight on effectiveness of decision-making process.
- **A**ssurance on quality of processes by identifying relevant and adequate coverage of various risks by defining scope of internal audit, pro actively prepare for oversight by regulators, remediating through preventive and corrective steps in respect of risk events that occur.
- **R**eliability of internal controls framework through control reviews, Risk Control Self Assessment (RCSA)/ Internal Financial Control review and mock audits.
- **E**ffective and efficient processes through benchmarking with peers, automation of process controls, control dashboard and its monitoring.
- **S**tandardisation through Standard Operating Procedures, frameworks, policies and practices.

The Assurance team constantly strives to raise the standards of controls and process through upgrading its standards in tune with overall development in the domestic and international market place.

Internal Audit

Internal Audit follows Generally Accepted Audit Practices, Internal Audit Standards, analytical procedures, etc., and ensures compliance with Section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.

The Internal audits are carried out by external independent auditors who bring independent, objective and reasonable assurance on adequacy and effectiveness of the risk management practices besides the industry expertise and best practices which also add value to the organisation. The internal audit function focuses on assessing the adequacy, efficiency and effectiveness of internal control systems across the Group. The Audit Committee is overall responsible for overseeing the internal audit function.

Internal Control

Edelweiss has robust internal control system and RCSA system in place including monitoring compliance with relevant matters covered under section 134(5)(e) of the Companies Act 2013, delegation of powers, segregation of duties, third party confirmations, periodic reconciliations, RCSA, physical verification and checks on accuracy; completeness and timely update of records, compliance, risk and periodical financial statements.

HUMAN RESOURCES

Edelweiss is a cross-cultural mosaic and our strength lies in diversity everywhere, within teams and across businesses. This diversity makes us a stronger organisation by bringing in fresh ideas, perspectives, experiences and fostering a truly collaborative workplace.

One of the most important factors contributing to our success is the Edelweiss culture which is best described by the way we function, a certain sense of unity in all the diversity. The new business group led structure evidences independent working assemblies under the Edelweiss umbrella, the underlying ethos of innovating and ideating to offer new and diverse products to customers and stakeholders are protected by the values of growth, risk and leadership.

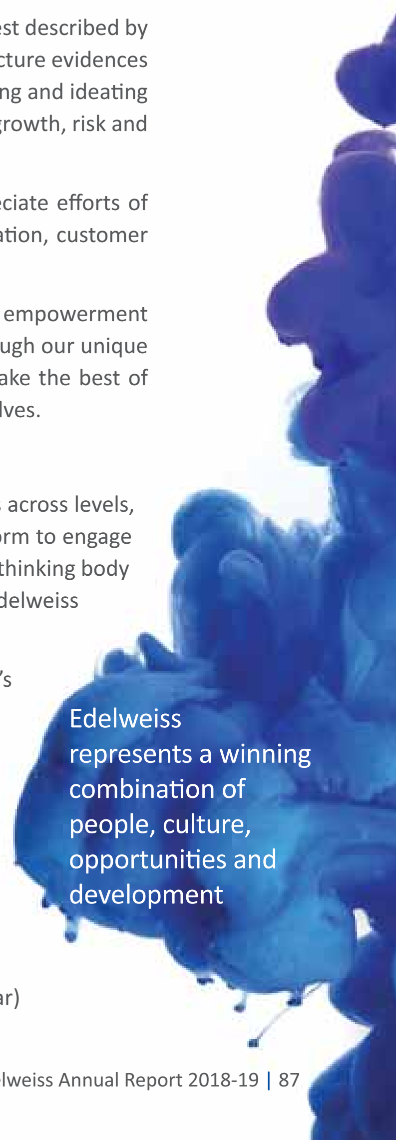
A significant component of our value based culture is commitment to acknowledge and appreciate efforts of employees through recognition programmes that honor exemplary risk management, collaboration, customer centricity, people development, technology and innovation.

Diversity and inclusion are an important element at the heart of Edelweiss and appreciation and empowerment for women is not new to the Edelweiss family. 20% of employee base comprises of women. Through our unique initiative WOMEN EMPOWERED (WE), we provide women employees with opportunities to make the best of their individual talent and facilitates mentoring for women to create a career identity for themselves.

Leadership Development

In the context of growth and the constantly changing environment, Edelweiss looks at its leaders across levels, to build an organisation that is ever ready. To that end, our leadership groups provide us a platform to engage with and provide wide exposure to our leaders. Our programmes are designed to create a strong thinking body of leaders and cultural ambassadors who will be strategically bought-in and engaged with the Edelweiss vision and ambition.

The four-tiered Edelweiss Leadership Programme, which was created in the backdrop of Edelweiss's rapid expansion and aspiration to grow further, continues to build upon its success. Now ~6% of our employees are a part of this programme, which runs across levels from emerging to business to senior leaders to Managing Committee members. We have revamped the Emerging Leaders programme focusing on exposing our future leaders to cutting edge thoughts from the market and providing them with a strong internal perspective through a tightly run mentoring programme.



Taking care of people with a framework that is fair, collaborative, compliant and responsive, Edelweiss represents a winning combination of people, culture, opportunities and development.

At the end of FY19 we had a total of 11,410 employees (10,052 as at the end of the previous year) spread across 476 offices in India and overseas.

TECHNOLOGY

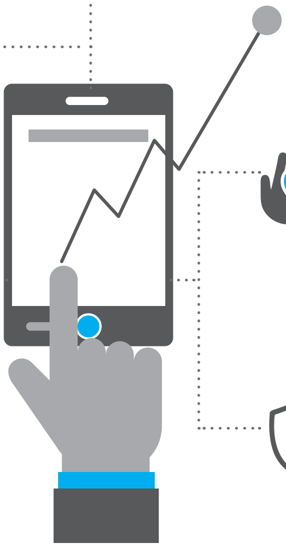
Edelweiss has continued its digital transformation journey across businesses and has taken the platform approach which enables us to leverage a flexible, structured and scalable foundation, while speeding development time, leveraging investments and incorporating **long tail** processes.

The platform approach has helped us create seamless process, data and information flows across customers, partners, front office, back office and middle office. Based on the key platform philosophy, some of the key initiatives undertaken over the last year include:

Genie Data warehouse created single source of data for product teams, distributors and clients across public market business thereby improving productivity, efficiency and customer satisfaction.

Phygital Platform launched for our credit sales partners enables end-to-end loan origination and instant decision at customer location leading to improved productivity, faster turnaround time and enhanced customer satisfaction.

IT Governance: At Edelweiss, we have further strengthened IT governance to continuously improve IT risk management, IT resource management and performance management framework.



Galaxy Platform launched for our mutual fund business allows us to provide end-to-end servicing platform for distribution partners facilitating on boarding of clients in less than 60 seconds and instant transactions.

Kshitij Platform empowers our asset management sales team with real time data and reports while on the move enhancing customer interaction and sales efficiency.

Transcend Platform enabled our life insurance business to launch new products faster, improved branch efficiency, reduced manual intervention and facilitates issue of new policies in just 10 minutes.

Cybersecurity: Continuing focus on cybersecurity, we have implemented new age technologies to further secure our organisation, client data and networks in order to ensure all round better protection.

EDELWEISS BRAND – BEUNLIMITED

Edelweiss as a brand is resonant with being an **Enabler** which helps the consumers view financial products as a launch pad for their ambitions. Our value ethos is inspired by the **BeUnlimited** philosophy which empowers customers to access a world of unlimited opportunities. BeUnlimited is going beyond incremental gains and efforts and is more an aspiration towards surmounting one's limitations and reaching for the stars. The Group extended the same philosophy to the newest retail entrant Edelweiss General Insurance with the positioning of **Take us for Granted**.

Our Commitment to Sports

BeUnlimited philosophy is also evident in the active support that we extend to sports as a cause and partnering with Indian Olympians. This year, Edelweiss Group deepened its commitment towards building a sporting nation. The Group saluted the #BeUnlimited spirit of athletes, with a multimedia campaign for garnering support for Team India for Commonwealth Games (CWG) 2018 & Asian Games 2018. Moreover, Edelweiss provided a life cover of ₹5 million to each of the athletes through the Group company ETLI for both CWG & Asian Games contingents.

Edelweiss strengthened its roster of women Olympic champions by signing on Hima Das (Athletics), Manika Batra (Table Tennis), Mirabai Chanu (Weightlifting) and Heena Siddhu (Shooting) to the earlier signed Dipa Karmakar (Gymnastics) and Rani Rampal (Hockey). We also felicitated their achievements at Asian Games by providing each of the champions with a life insurance cover from ETLI, health insurance cover from EGIL and wealth management corpus from Edelweiss Broking Ltd.

CUSTOMER EXPERIENCE

At Edelweiss, customers are at the heart of everything we do and Customer Experience (CX) is not just restricted to service delivery, but regarded as a key pillar of business success.

Over the past 12-18 months, we have evolved our CX framework from a problem-solving based approach to a more proactive stance, by aligning efforts across business units to a shared set of values:

- **A**ccessible – Making it easier for customers to get in touch with us
- **S**ame Side – Aligning our actions to customer needs
- **U**pfront – Being transparent in sharing relevant information
- **R**emove Limitations – Striving to remove obstacles for customers
- **E**asy to Deal With – Simplifying processes that involve customers
- **D**ependable – Taking ownership of the solutions we deliver

We call this the **ASSURED** framework which is now an integral part of our CX strategy across Edelweiss.

Armed with these tools, CX resources across the Group continue to help transform the organisation from a product-centric one to a culture of customer-centricity, so that 1.2 million+ customers can truly #BeUnlimited in the realisation of their goals.

Cautionary Statement

Statements made in this Annual Report may contain certain forward looking statements, which are tentative, based on various assumptions on the Edelweiss Group's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and internationally, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. Edelweiss has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The discussion relating to business wise financial performance, ex-insurance numbers, balance sheet, asset books of Edelweiss and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. Compliance with IndAS requires accrued interest to be clubbed with the principal amount of Borrowings, unlike IGAAP wherein this amount was classified separately under Other Liabilities. In this discussion, for the purpose of consistency and comparability with prior periods, Balance Sheet size and relevant ratios are calculated on the basis of the principal amount of Borrowings. The numbers have also been rounded off in the interest of easier understanding. Numbers have been re-casted, wherever required. PAT ex-insurance is excluding Minority Interest. Unless specified all PAT numbers are Post MI. Prior period figures have been regrouped/reclassified wherever necessary. FY18 and FY19 numbers are as per IndAS and rest all are as per IGAAP. All information in this discussion has been prepared solely by the company and has not been independently verified by anyone else.

Dividend Distribution Policy

Introduction:

The Securities and Exchange Board of India (SEBI), has mandated certain categories of Listed Companies to formulate a Dividend Distribution Policy ('Policy'). This Policy is in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements)(Second Amendment) Regulations, 2016.

Objective:

One of the ways to reward a shareholder is by distributing portion of the Company's earnings in form of dividend. Besides capital appreciation, an investor expects a consistent cash inflow in the form of dividend. Towards this end, the Policy lays down the parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

Definitions:

Unless repugnant to the context:

"Act" shall mean the Companies Act, 2013 including the Rules made thereunder;

"Company" shall mean Edelweiss Financial Services Limited;

"Board" or "Board of Directors" shall mean Board of Directors of the Company;

"Dividend" shall mean Dividend as defined under the Companies Act, 2013;

"SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

Regulatory Framework:

The Companies Act, 2013 provides for regulation, recommendation, declaration and payment of dividend, subject to approval of the Board (interim) / Shareholders (final).

Factors for considering Dividend:

The Board of Directors of the Company ("the Board") may consider inter-alia the following factors viz., the financial performance of the Company, the past dividend trends, the liquidity position of the Company, capital expenditure requirements, if any, business expansions (including acquisitions) if any, debt obligations, the external market conditions, the future potential etc., before considering dividend proposition.

The Company will endeavour to maintain the dividend track record subject to the factors which the Board might appropriately consider at that point in time. When the performance of the company coupled with the market conditions are conducive/ favourable, the Board may consider declaring interim dividends too.

In order to conserve resources, the Board may consider recommending a lesser rate of dividend (as compared to the earlier years). The retained earnings of the Company can be inter-alia utilized for capex, working capital requirement, investment in growth opportunities as deemed fit by the Board at appropriate time. The retained earnings may also be utilised for payment of dividend in subsequent years, or other permitted means of rewarding the shareholders.

In a year where the profits of the Company are inadequate or there is a loss, the Company would like to utilise the reserves judiciously and the Board may not consider payment of dividend as a viable proposition. Alternatively, in such a scenario the Board might consider declaring dividends, out of the Free Reserves or the accumulated profits and the dividend payment track record is maintained. The amount paid as dividend in the past does not necessarily indicate the dividend to be paid in the future and so the rate and the amount of dividend may vary from time to time.

Provision regarding class of shares:

Currently, the Company has issued only Equity Shares and this Policy shall be made applicable only to Equity Shares. As and when the Company issues other kind of shares, the Policy shall be amended accordingly.

Review / Amendment:

The Board shall review and amend the policy periodically as may be deemed necessary, keeping in view the business environment, the performance of the Company, regulatory requirements and other relevant external factors.

Annexure II

Remuneration Policy

Objective

The Companies Act, 2013 ('the Act') and the Listing Agreement requires a Company to frame a policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other Senior level employees.

The objective of the Remuneration Policy (the Policy) of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director, Executive Directors, KMPs, and other Senior level employees of the Company.

The objective of the Policy is to ensure that:

i. the level and composition of remuneration is reasonable and sufficient to attract & retain talent required to run the Company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to the Directors, KMPs and Senior level employees comprises a balance of fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.

Remuneration of the Independent Directors and Non-executive Directors

- The Independent Directors and Non-Executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors and Non-Executive Directors are also eligible for commission, subject to the limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for stock options.
- The Non-Executive Directors (other than promoter Directors) shall be eligible for stock options.

Remuneration of the Managing Director and Executive Directors

- The remuneration of the Managing Director and Executive Directors is recommended by the Nomination & Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director and Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director and Executive Directors shall be within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to funds, etc.
- The Executive Directors (other than the promoter Directors) shall be eligible for stock options.

Remuneration of the KMPs (other than Executive Directors) and Senior level employees

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

Policy Review

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

Annexure III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

[Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   To leverage the capacity and capital to equip and enable the social sector to achieve the greatest impact on the lives of the poor in India.

   The CSR Policy of the Company is uploaded on the website of the Company at: https://www.edelweissfin.com/documents/30595/209699/CSR%20Policy.pdf

2. Composition of the Committee is as under:

Mr. Venkatchalam Ramaswamy	- Executive Director (Chairman)
Mr. Himanshu Kaji	- Executive Director
Mr. Rujan Panjwani	- Executive Director
Mr. P. N. Venkatachalam	- Independent Director

3. Average net profit of the Company for last three financial years: ₹ 1,736.49 million

4. Prescribed CSR Expenditure (2 percent of the amount as in item 3 above): ₹ 34.73 million

5. Details of CSR spent during the financial year:

   a. Total amount spent for the financial year: Consolidated : ₹ 226.09 million
      Standalone : ₹ 35.40 million

   b. Amount unspent, if any: Nil

   c. Manner in which the amount was spent by the Company during the financial year- Refer the Table annexed

6. In case the Company has failed to spend the two per cent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report- Not Applicable

7. A responsibility statement of the CSR Committee – The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

   The CSR Activities are carried out in the areas where we have presence. An amount of ₹ 226.09 million was spent on a consolidated basis, during the financial year 2018-19.

Venkatchalam Ramaswamy	**Himanshu Kaji**
Executive Director	**Executive Director**
(Chairman of the CSR Committee)	**DIN No: 00009438**
DIN: 00008509	

May 14, 2019

Manner in which the amount was spent (on a consolidated basis) during the financial year 2018-19 is detailed below

(₹ in Million)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads:		Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or programs	2) Overheads		
1	Early Childhood Education, Enhanced Child Learning and School Transformation Programs, Research and Advocacy and Innovative Practices	Education	Pune, Palghar, Maharashtra, Madhya Pradesh, Delhi, Rajasthan, Karnataka, West Bengal, Orissa, Delhi	86.39	83.59	2.80	86.39	
2	Skill and Institutional building, Employability skill building, Financial inclusion and Watershed for livelihood	Livelihood	Maharashtra, Chhattisgarh, Rajasthan, Karnataka, Orissa , Jharkhand, Gujarat, Tamil Nadu, Madhya Pradesh	47.07	45.29	1.78	47.07	**Implementing Agency – Edelgive Foundation** (Edelgive Foundation is the strategic philantrophic arm of Edelwiess Group and is registered under Section 25 of the Companies Act, 1956)
3	Economic and Social Empowerment	Women Empowerment	Maharashtra, West Bengal, Kutch, Gujarat, Ranchi, Haryana, Rajasthan, Mysore, Kolkata, Hyderabad, UP , Madhya Pradesh	91.93	87.29	4.64	91.93	
4	Economic and Social Empowerment	Livelihood and Welfare of People	Maharashtra and Kerala	0.7	0.7	-	0.7	Direct
	TOTAL			**226.09**	**216.87**	**9.22**	**226.09**	

Manner in which the amount was spent by the Company during the financial year 2018-19 is detailed below:

(₹ in Million)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads:		Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or programs	2) Overheads		
1	Early Childhood Education, Enhanced Child Learning and School Transformation Programs, Research and Advocacy and Innovative Practices	Education	Delhi, Orissa	15.93	15.07	0.86	15.93	**Implementing Agency – Edelgive Foundation** (Edelgive Foundation is the strategic philantrophic arm of Edelwiess Group and is registered under Section 25 of the Companies Act, 1956)
2	Economic and Social Empowerment	Women Empowerment	Haryana, Gujarat, Maharashtra, Kolkata	18.77	18.49	0.28	18.77	
3	Economic and Social Empowerment	Livelihood and Welfare of People	Maharashtra and Kerala	0.7	0.7	-	0.7	Direct
	TOTAL			**35.40**	**34.26**	**1.14**	**35.40**	

Annexure IV

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Edelweiss Financial Services Limited
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai – 400 098.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Edelweiss Financial Services Limited** (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March 2019 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, to the extent applicable in respect of ODI and FDI .
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- Other specific law applicable to the Company is the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Audit period, provisions of the following Acts / Regulations were not applicable to the Company:

a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

b. The Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018;

c. The FEMA, 1999, to the extent of any provisions related to ECB.

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the Audit Period.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR 544 /2017]

B. Narasimhan
Partner
FCS 1303 / CP No. 10440

Place : Mumbai
Date : May 14, 2019

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to the Secretarial Audit Report for the financial year ended 31st March 2019

To,
The Members,
Edelweiss Financial Services Limited,
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai – 400098.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Edelweiss Financial Services Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR 544 /2017]

B. Narasimhan
Partner
FCS 1303 / CP No. 10440

Place : Mumbai
Date : May 14, 2019

Annexure IV-A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Edelweiss Tokio Life Insurance Company Limited,
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Edelweiss Tokio Life Insurance Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the relevant and applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; and

(iii) Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance under the following laws applicable specifically to the Company:

  (i) Insurance Act, 1938; and

  (ii) Insurance Regulatory and Development Authority of India Act, 1999 ("IRDAI") and the rules, regulations, circulars, guidelines, instructions etc. issued by IRDAI.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India; and

2. Listing Agreement/Regulations: The Company is an unlisted Company and therefore compliance with listing agreement/regulations is not applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at the meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

(i) At the Board Meeting held on May 2, 2018 the Board inter-alia, approved the following:

   a. Appointment of Mr. Sumit Rai as Managing Director and Chief Executive Officer w.e.f. August 1, 2018; and

   b. Resignation of Mr. Deepak Mittal as Managing Director and Chief Executive Officer w.e.f. May 25, 2018. Mr. Mittal continues as a Non-executive Director of the Company.

(ii) At the Annual General Meeting held on July 24, 2018 the members approved the contribution of Rs. 15,13,970 (in thousands) funds from Shareholders Account to the Policyholders Account.

(iii) At the Extra Ordinary General Meeting held on September 10, 2018 the members approved alteration in Object Clause of Memorandum of Association of the Company.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date : May 13, 2019
Place : Gangtok

Note: This Report is to be read with our letter of even date which is annexed as 'Annexure A' herewith and forms an integral part of this report.

'Annexure A'

To,
The Members,
Edelweiss Tokio Life Insurance Company Limited,
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date : May 13, 2019
Place : Gangtok

Annexure V

Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is as under:

Sr. No.	Disclosure Requirement	**Disclosure Details**		
		Directors	Title	Ratio
1.	Ratio of the Remuneration of each Director to the median remuneration of the employees of the Company for the financial year	1. Mr. Rashesh Shah 2. Mr. Venkatchalam Ramaswamy 3. Mr. Himanshu Kaji 4. Mr. Rujan Panjwani	Chairman, Managing Director & CEO Executive Director Executive Director Executive Director	46.61% 34.45% 15.97% 12.19%
	Commission of ₹ 1 million to each of the Independent Directors of the Company as on March 31, 2019 for the financial year 2018-19 will be paid during the financial year 2019-20, representing the ratio of 0.64X each			
		Directors/ KMP	Title	% increase in remu-neration
2.	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year	1. Mr. Rashesh Shah 2. Mr. Venkatchalam Ramaswamy 3. Mr. Himanshu Kaji 4. Mr. Rujan Panjwani 5. Mr. S Ranganathan 6. Mr. B Renganathan	Chairman, Managing Director & CEO Executive Director Executive Director Executive Director Chief Financial Officer Company Secretary	13% 4375% -52% -39% 4% 12%
3.	Percentage increase in the median remuneration of employees in the Financial year	48%		
4.	Number of permanent employees on the rolls of the Company at the end of the year	156 permanent employees were on the rolls of the Company as on March 31, 2019.		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the remuneration for employees other than the managerial personnel is 36.70% and for managerial personnel is 15%. (The employees who joined/ left the Company during the financial year 2018-19 are not considered for this purpose)		
6.	Affirmations that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

Annexure VI

Business Responsibility Report for the Financial year 2018-19

(Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Section - A

General Information about the Company

Sr. No.	Particulars	Reply
1	Corporate Identity Number (CIN) of the Company	L99999MH1995PLC094641
2	Name of the Company	Edelweiss Financial Services Limited
3	Registered Office address of the Company	Edelweiss House, Off. C.S.T Road, Kalina. Mumbai - 400 098, Maharashtra
4	Website	www.edelweissfin.com
5	E-mail ID	efsl.shareholders@edelweissfin.com
6	Financial Year reported	April 1, 2018 to March 31, 2019
7	Sector (s) that the Company is engaged in (Industrial activity code-wise)	Code: 649 – Investment Banking and Advisory Services 642 – Holding Company Activities
8	List three key products / services that the Company manufactures/ provides (as in Balance Sheet)	Investment Banking & Advisory Services
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	6 (Singapore, Mauritius, Hong Kong, New York, London and Dubai) through subsidiaries of the Company.
	(b) Number of National Locations	189, including subsidiaries of the Company.
10.	Market served by the Company- Local/ State / National/ International	Edelweiss serves the Indian markets and the international markets through its subsidiaries.

Section - B

Financial details of the Company

Sr. No.	Particulars	Reply
1	Paid-up Capital (as on March 31, 2019)	₹ 932.67 million
2	Total Turnover / Income	₹ 3,203.75 million
3	Total Profit After Taxes	₹ 1,028.78 million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 35.40 million (3.44%)
5	List of activities in which expenditure in 4 above has been incurred:-	The above expenditure is predominantly incurred / spent on livelihood of under privileged, Education & Woman Empowerment.

Section – C

Other Details

Sr. No.	Particulars	Reply
1	Does the Company have any Subsidiary Company / Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. The Company is engaged in the Financial Services. The Company along with its subsidiaries carries out the Business Responsibilities and CSR activities.
3	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does Business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	We encourage our associates & partners to engage / participate in BR initiatives.

Section - D

Business Responsibility Information

(1) Details of Director/Directors responsible for Business Responsibility

Sr. No.	Particulars	Reply
(a)	Details of the Director/Director responsible for implementation of the Business Responsibility Policy / policies	Name: Mr. Himanshu Kaji Designation: Executive Director DIN: 00009438
(b)	Details of the Business Responsibility Head	Name: Ms. Vidya Shah Designation: Director DIN: 00274831 Telephone No.: + 91 22- 40094400 e-mail ID: efsl.shareholders@ edelweissfin.com

In fulfilling its obligation of Business Responsibility (BR) and the Corporate Social Responsibility (CSR), the Company is also guided by Edelweiss Guiding Principles which are provided in this Annual Report.

Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) **Details of compliance (Reply in Y/N)**

Sr. No.	Questions	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
1	Do you have a policy/ policies for	Y	N $	Y	Y	Y	N $	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N $	Y	Y	Y	N $	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	N $	Y	Y	Y	N $	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner/ CEO/ appropriate Board Director?	Business Responsibility Policy encompassing all these principles has been approved.								
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Appropriate steps have been taken to oversee the implementation of the policy.								
6	Indicate the link for the policy to be Viewed online?	The Policy is made available on the website of the Company www.edelweissfin.com								
7	Has the policy been formally Communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy/ policies	Yes								
9	Does the Company have a Grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company will carry out at an appropriate time.								

$: Considering the nature of business of the Company, Principle - 2 & principle - 6 may not be strictly applicable.

(b) If answer to the question at serial number 1 against any principle, is “ No’ Please explain why: (Tick up to 2 options) : Not Applicable

Sr. No.	Questions	P-1	P-2*	P-3	P-4	P-5	P-6*	P-7	P-8	P-9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 Year									
6	Any other reason (please specify)									

*: Considering the nature of business of the Company, Principle - 2 & principle - 6 may not be strictly applicable.

3. Governance related to BR

Sr. No.	Particulars	Reply
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	More than one year.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The same is available on the website of the Company www.edelweissfin.com.

SECTION - E

Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

It is an integral part of the Edelweiss Guiding Principle to conduct the business in a fair and transparent manner.

Sr. No.	Particulars	Reply
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures/ Suppliers / Contractors / NGOs/Others?	Yes, applicable to the Company and its subsidiaries.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year under review No. of Complaints/Request Received: 3 No. of Complaints/ Request Resolved: 3 % of Complaints/ Requests Resolved: 100%

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle #

#: Considering the nature of business of the Company this Principle may not be strictly applicable.

Sr. No.	Particulars	Reply
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):	
	(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
3	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	

Principle 3 : Businesses should promote the wellbeing of all employees

Sr. No.	Particulars		Reply	
1	Please indicate the Total number of employees **(including Group Subsidiaries)**		11,410	
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.		3,317	
3	Please indicate the Number of permanent women employees.		2,333	
4	Please indicate the Number of permanent employees with disabilities		Not Applicable	
5	Do you have an employee association that is recognized by management.		No	
6	What percentage of your permanent employees is members of this recognized employee association?		Not Applicable	
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		The Company does not employ / hire child labour, forced labour or, involuntary labour.	
	No.	**Category**	**No of complaints filed during the financial year**	**No of complaints pending as on end of the financial year**
	1	Child labour/forced labour /involuntary labour	Not Applicable	Not Applicable
	2	Sexual harassment	NIL	NIL
	3	Discriminatory employment	NIL	NIL
Casual/Temporary/Contractual Employees				
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		Every employee of the Company undergoes necessary training.	
	(a)	Permanent Employees		
	(b)	Permanent Women Employees		
	(c)	Casual/Temporary/Contractual Employees		
	(d)	Employees with Disabilities		

Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

As an Edelweiss Guiding Principle the Company focuses on Growth for its stakeholders - clients, employees and shareholders.

Sr. No.	Particulars	Reply
1	Has the company mapped its internal and external stakeholders?	The Company through it CSR arm Edelgive Foundation contributes to the society by providing support to the under privileged etc.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	

Principle 5 : Businesses should respect and promote human rights

Sr. No.	Particulars	Reply
1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures / Suppliers / Contractors / NGOs / Others?	Extends to the Company and the Group
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the year under review, no complaint has been filed with respect to Human rights violation from any stakeholder

Annexures to Board's Report ***(Continued)***

Principle 6 : Businesses should respect, protect, and make efforts to restore the environment

Sr. No.	Particulars	Reply
1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs /others.	Not Applicable (Considering the nature of business of the Company, principle - 6 may not be strictly applicable).
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	
3	Does the company identify and assess potential environmental risks? Y/N	
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	
7	Number of show cause/ legal notices received from Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.)	

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Sr. No.	Particulars	Reply
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	Edelweiss is a member of the following chambers and associations: 1. Federation of Indian Chambers of Commerce and Industry 2. Confederation of Indian Industry
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Edelweiss group presents its views on various regulatory changes in the light of the changing business environment.

Principle 8 : Businesses should support inclusive growth and equitable development

Sr. No.	Particulars	Reply
1	Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	The CSR activities / programmes supports inclusive growth and equitable development. The Company being in the business of providing financial services, conducts various investor awareness programmes from time to time. Women Empowerment program plays pivotal role in minclusive growth and equitable development.
2	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures/any other organization?	The programmes / projects are undertaken through EdelGive Foundation - The CSR arm of the Group.
3	Have you done any impact assessment of your initiative?	Yes, the Company continuously monitors and assesses the impact of its CSR initiatives.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer CSR Report attached to the Boards' Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. (Please refer CSR Report)

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Particulars	Reply
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A ./ Remarks (additional information)	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Consumer surveys are taken at regular intervals.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the Management to facilitate effective entrepreneurial and prudent management practices for long-term sustainable growth of the Company. It also aims to align as nearly as possible the interests of individuals, corporates and society and enhancing the stakeholders' value. Best results are achieved when companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. Edelweiss Guiding Principles also reflect the fundamental philosophy of Good Corporate Governance practices which have always been an integral part of your Company's philosophy.

Board of Directors

Composition, Meeting and Attendance

The composition of the Board of Directors of the Company comprises of Executive and Non-Executive Directors. This is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('the Act').

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda which is circulated in advance is backed by comprehensive background information to enable the Board to take appropriate decisions. The Board met 6 times during the financial year 2018-19 i.e. on: May 3, 2018, May 23, 2018, July 26, 2018, August 7, 2018, October 26, 2018 and January 24, 2019.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2018-19 and at the last Annual General Meeting (AGM), the number of directorships and committee positions held by them in other public limited companies as also the name of the listed entities where he/she is Director and category of Directorship as on March 31, 2019, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on July 26, 2018	No. of directorships in other Public Limited Companies$	Name of other Listed entities where person is Director- Category of Directorship	Committee Position*	
						Member	Chairman
Mr. Rashesh Shah [Chairman, Managing Director & CEO] (DIN 00008322)	Executive (Promoter)	6	Yes	2	-	Nil	Nil
Mr. Venkatchalam Ramaswamy (DIN 00008509)	Executive (Promoter)	6	Yes	3	-	1	Nil
Ms. Vidya Shah (DIN 00274831)	Non-Executive, Non-Independent (Promoter)	6	Yes	2	-	2	Nil
Mr. Himanshu Kaji (DIN 00009438)	Executive	6	Yes	2	-	1	Nil
Mr. Rujan Panjwani (DIN 00237366)	Executive	6	Yes	4	-	1	Nil
Mr. P. N. Venkatachalam (DIN 00499442)	Independent	6	Yes	7	Sundaram Finance Limted-Independent Director	5	2

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on July 26, 2018	No. of directorships in other Public Limited Companies$	Name of other Listed entities where person is Director- Category of Directorship	Committee Position*	
						Member	Chairman
Mr. Berjis Desai (DIN 00153675)	Independent	3	No	8	Please refer #	7	3
Mr. Navtej S. Nandra (DIN 02282617)	Independent	5	Yes	2	-	2	Nil
Mr. Kunnasagaran Chinniah (DIN 01590108)	Independent	5	Yes	6	Nirlon Limited- Nominee Director	3	1
Mr. Biswamohan Mahapatra (DIN 06990345)	Independent	4	Yes	5	Gruh Finance Limited- Independent Director	4	2

[$] Only Directorships of public limited companies (including private limited companies which are subsidiary of public limited companies) incorporated in India have been considered and excludes Section 8 and Foreign Companies.

* Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position.

[#] Deepak Fertilisers and Petrochemicals Corporation Limited- Independent Director, Praj Industries Limited- Independent Director, The Great Eastern Shipping Company Limited- Independent Director, Man Infraconstruction Limited- Independent Director, Jubilant Foodworks Limited- Independent Director

Mr. Ashok Kini (DIN: 00812946) and Dr. Ashima Goyal (DIN: 00233635) were appointed as Independent Directors with effect from April 1, 2019, subject to the approval of shareholders.

Ms. Anita M. George (DIN: 00441131) who was appointed as Additional Director (Independent) w.e.f. April 1, 2019 has been re-designated as a Non-Executive Non-Independent Director w.e.f. May 14, 2019.

Mr. Sanjiv Misra (DIN: 03511635), an Independent Director of the Company, resigned w.e.f. January 24, 2019 due to his other compelling commitments and time constraints. He attended 4 Board Meetings during the year and was also present at the AGM held on July 26, 2018. The Company has obtained a confirmation from Mr. Sanjiv Misra that there are no other material reasons for his resignation other than those mentioned above.

None of the Directors on the Board is a member of more than 10 Committees and Chairman/ Chairperson of more than 5 Committees, across all the public limited companies in which he / she is a Director.

M/s. BNP & Associates, Company Secretaries, have issued a certificate stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such statutory authority.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and are independent of the Management.

Except for Mr. Rashesh Shah and Ms. Vidya Shah, none of the Directors are related to each other.

Board skills/expertise/competence matrix:

The Board of Directors have identified the following parameters with respect to the skill/expertise/competence that are available with the Board in the context of the business and sector for it to function effectively:

Industry Knowledge/ Experience	Technical Skills/ Experience	Behavioural Competencies
• Financial and Capital Markets	• Accounting and finance	• Leadership and mentoring Skills
• Understanding of corporate laws, international laws and other rules, regulations and policies	• Risk Management	• Interpersonal relations
• International Experience	• Strategic Management	
	• Legal and Compliance	
	• Governance	

COMMITTEES OF THE BOARD:

A) Audit Committee

Meetings held:

During the Financial Year 2018-19, the Committee met 5 times May 3, 2018; May 23, 2018; August 7, 2018; October 26, 2018; and January 24, 2019.

Composition as on March 31, 2019 and attendance during the year ended March 31, 2019:-

Name of the Member	No. of meetings Attended
Mr. P. N. Venkatachalam- Chairman	5
Mr. Berjis Desai	3
Mr. Biswamohan Mahapatra	3
Mr. Kunnasagaran Chinniah*	4

*Mr. Kunnasagaran Chinniah was inducted as a member of Audit Committee on May 3, 2018.

Mr. Sanjiv Misra resigned as an Independent Director of the Company with effect from January 24, 2019 and consequently ceased to be a member of the Committee. He attended 3 Meetings during the year.

All the members of the Committee are Independent Directors and have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of Section 177 of the Act and the Listing Regulations.

Brief Description of the Terms of Reference of the Committee

The terms of reference of the Audit Committee inter alia includes:

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

4) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

5) Evaluation of internal financial controls and risk management systems;

6) Reviewing, with the Management, performance of statutory auditors and internal auditors, adequacy of the internal control systems;
7) Discussion with internal auditors of any significant findings and follow up there on;
8) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9) To review the functioning of the Whistle Blower/Vigil mechanism;
10) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments and;
11) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Auditors, Internal Auditors, Chief Financial Officer, Group Deputy CFO and Chief Corporate Controller are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

Mr. P. N Venkatachalam, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on July 26, 2018.

B) Nomination and Remuneration Committee

Meetings held:

During the Financial Year 2018-19, 2 Meetings of the Committee were held on May 3, 2018 and January 24, 2019.

Composition as on March 31, 2019 and attendance during the year ended March 31, 2019:-

Name of the Member	No. of Meetings Attended
Mr. Berjis Desai- Chairman	1
Mr. Kunnasagaran Chinniah	2
Mr. Navtej S. Nandra	2

Mr. Sanjiv Misra resigned as an Independent Director of the Company with effect from January 24, 2019 and consequently ceased to be a member of the Committee. He attended two Meetings during the year.

Brief Description of the Terms of Reference

The terms of reference inter alia includes:

1) Identifying the persons who can become Directors;
2) Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director;
3) Recommending to the Board a policy relating to the remuneration for the Directors & Key Managerial Personnel; and
4) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report.

Board Evaluation

A Board Evaluation Policy (the Policy) has been framed for evaluating the performance of the Board as a whole, the Chairman, Managing Director, Executive Directors, Independent Directors and the Non-executive Directors. Based on the same, the performance evaluation was carried out for the financial year ended March 31, 2019.

The Policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging in its functions, etc.

Familiarization Programme

The Independent Directors are familiarized with their roles, rights, responsibilities etc. in relation to the nature of the financial services sector and the business model of the Company. Please refer to the website of the Company at: https://www.edelweissfin.com/web/edelweiss/sustainability-governance

Remuneration to the Directors

Non-Executive Directors

The Company pays sitting fee of ₹ 20,000/- per meeting to the Independent Directors for attending the meetings of the Board and the Committees thereof. The Members of the Company have authorised the payment of commission of upto 1% of the net profits of the Company to the Non-executive Directors of the Company. The commission is paid to the Non-executive Directors inter alia based on their attendance, contribution etc. at the Board and various Committee Meetings. A commission of ₹ 10 Lakhs relating to Financial Year 2018-19, will be paid to each of the Independent Directors as on March 31, 2019 during Financial Year 2019-20.

Executive Directors

The details of the remuneration paid to the Managing Director and the Executive Directors during the financial year ended March 31, 2019 are as under:

(₹ in million)

Particulars	Mr. Rashesh Shah - Chairman, MD & CEO	Mr. Venkatchalam Ramaswamy - Executive Director	Mr. Himanshu Kaji - Executive Director	Mr. Rujan Panjwani - Executive Director
Salary	12.66	1.20	11.93	1.56
Perquisites	-	-	238.55	61.28
Bonus*	60.00	52.50	13.00	17.50
Total	72.66	53.70	263.48	80.34
Service Contracts	April 01, 2017 to March 31, 2022	April 01, 2017 to March 31, 2022	November 01, 2014 to October 31, 2019	June 24, 2016 to June 23, 2021
No. of Stock options granted	-	-	70,000	20,000
Notice Period	As per Company policy.			
Severance Fee	N.A.	N.A.	N.A.	N.A.

*relates to Financial Year 2017-18

The Stock Options were granted under 'Edelweiss Employee Stock Incentive Plan 2011'. The vesting of the options and the exercise period are as per the said Plan. None of the options were granted at a discount.

The shareholding of the Directors in the Company as on March 31, 2019 is as under:

Sr. No.	Name of Directors	No. of Equity Shares	% of paid up capital
1	Mr. Rashesh Shah	14,53,01,730	15.58
2	Mr. Venkatchalam Ramaswamy	5,80,26,560	6.22
3	Mr. Himanshu Kaji	39,87,500	0.43
4	Mr. Rujan Panjwani	1,29,66,380	1.39
5	Ms. Vidya Shah	3,30,31,200	3.54
6	Mr. P. N. Venkatachalam	2,70,000	0.03
7	Mr. Berjis Desai	1,37,500	0.01
8	Mr. Navtej S. Nandra	79,74,180	0.86
9	Mr. Kunnasagaran Chinniah	-	-
10	Mr. Biswamohan Mahapatra	-	-

* Shares held singly or as a first shareholder are only considered.

C) Stakeholders' Relationship Committee

MEETINGS HELD:

During the Financial Year 2018-19, one meeting of the Committee was held on: May 3, 2018

Composition as on March 31, 2019 and attendance during the year ended March 31, 2019:-

Name of the Member	No. of Meetings Attended
Mr. Berjis Desai – Chairman	1
Mr. Kunnasagaran Chinniah	1
Mr. Venkatchalam Ramaswamy	1

Mr. B. Renganathan is the Company Secretary & Compliance Officer of the Company.

Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company received 3 requests/complaints during the year ended March 31, 2019 which were satisfactorily resolved/replied. As on March 31, 2019, there were no pending requests/complaints.

Risk Management

The Risk Committee of the Board of Directors of the Company has framed and implemented a Risk Management Framework, which also covers foreign exchange risks and hedging activities. The Company did not have any exposure in commodity price and hedging activities during the year 2018-19.

General Body Meetings

The date, time and venue of the last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	No. of Special Resolution passed
2017-2018	July 26, 2018	1.30 p.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098	2
2016-2017	August 2, 2017	3.00 p.m	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098	7
2015-2016	August 9, 2016	3.00 p.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098.	10

The Company had sought the approval of the Shareholders by way of special resolution for Edelweiss Employee Stock Appreciation Rights Plan, 2019 and for extending the benefits of Edelweiss Employee Stock Appreciation Rights Plan 2019 to the eligible employees of the subsidiaries of the Company, vide Postal Ballot Notice dated March 26, 2019. The aforesaid Postal Ballot exercise was conducted by the Scrutinizer, Mr. B. Narasimhan from BN & Associates, Company Secretaries and the result was declared on May 02, 2019.

Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

Means of Communication

The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in The Free Press Journal, an English daily and Navshakti, a Marathi daily. The quarterly/annual results, press releases and the presentation made to the Institutional Investors/Analysts are also uploaded on the website of the Company www.edelweissfin.com.

General Shareholder Information

I.

i.	AGM : Date, time and venue	Thursday, July 25, 2019 at 3.00 p.m. at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098
ii.	Financial Year:	April 1, 2018 to March 31, 2019
iii.	Book Closure dates:	July 19, 2019 to July 24, 2019 (both days inclusive)
iv.	Dividend payment date:	July 26, 2019 to July 31, 2019

II. Listing of Equity Shares on Stock Exchanges:

The Equity Shares of the Company are listed on:

	Name of the Stock Exchange	**Address of the Stock Exchange**	**Stock Codes (Equity Share): Trading Symbol**
i)	BSE Limited (BSE)	P J Towers, Dalal Street, Fort, Mumbai - 400 001.	BSE – 532922
ii)	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	NSE – EDELWEISS

The Company has paid the listing fees, to the Stock Exchanges for the financial year 2019-20.

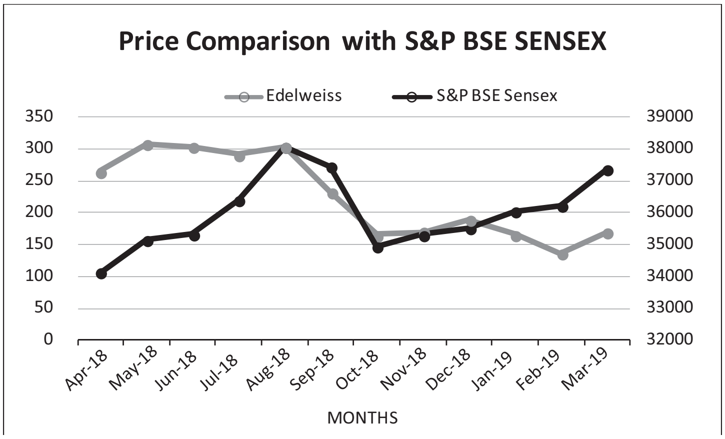
ISIN with NSDL and CDSL (Equity): INE532F01054

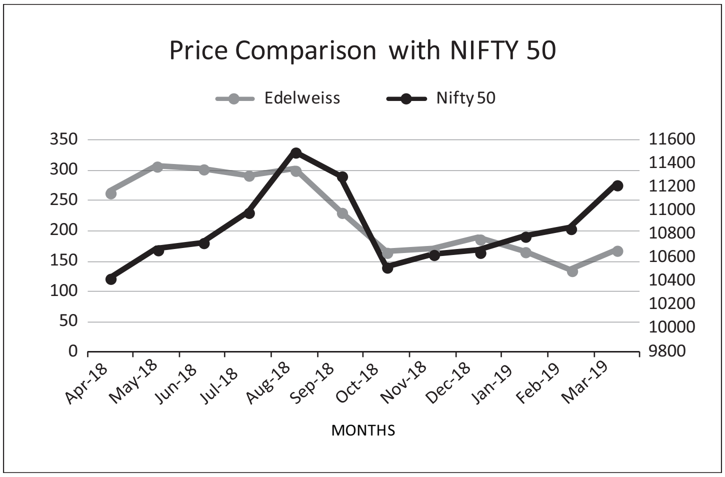
III. Market Price Data

Stock Market price data for the financial year 2018-19 and high/ low of market price of the Company's shares traded at BSE and NSE during each month in the financial year ended March 31, 2019 are as under:

Months	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr-18	289.45	239.25	26,07,495	289.7	239.1	3,86,49,332
May-18	342	271.15	1,05,58,118	342	271	6,48,57,557
Jun-18	334	271.25	37,37,817	334.35	270.5	3,86,63,778
Jul-18	314	267.65	71,37,865	313.85	267.25	2,92,93,989
Aug-18	329.7	273.55	51,43,141	330	272.75	4,28,94,026
Sep-18	283.2	180.85	1,27,90,929	283.7	181	6,76,40,759
Oct-18	202.4	128	1,30,39,399	202.6	128.5	10,15,70,070
Nov-18	178	159.1	31,04,512	177.85	160.65	4,15,89,408
Dec-18	206	170.35	81,83,356	206.45	170.3	3,80,20,342
Jan-19	185.6	145	83,87,218	185.80	145	4,04,35,012
Feb-19	158	116.15	51,80,697	156	115.6	5,05,81,877
Mar-19	198.45	137.95	68,55,456	198.8	137.55	7,23,22,833

IV. **Performance of share price in comparison with the broad – based indices viz., NSE Nifty & BSE Sensex:**





Price: Average of High & Low

V. Registrar & Share Transfer Agent: Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083 is the Registrar & Share Transfer Agent of the Company.

VI. Share Transfer System: The Company's shares are compulsorily traded in electronic form on BSE and NSE with 99.91% of the issued share capital of the Company being held in demat mode. The Transfer, if any, of physical shares are processed and returned to the shareholders within the prescribed statutory period.

VII. Distribution of shareholding as on March 31, 2019

No. of Equity Shares		No. of Shareholders	% of Share holders	Total no. of shares held	% of Shares held
1	- 500	1,47,449	88.64	1,56,95,887	1.68
501	- 1000	8,676	5.22	66,76,546	0.72
1001	- 2000	4,448	2.67	66,85,732	0.72
2001	- 3000	1,649	0.99	42,11,713	0.45
3001	- 4000	745	0.45	26,50,260	0.29
4001	- 5000	622	0.37	29,20,099	0.31
5001	- 10000	1,118	0.67	81,43,245	0.87
10001 and above		1,645	0.99	88,56,86,082	94.96
Total			**100.00**	**93,26,69,564**	**100.00**

Shareholding Pattern as on March 31, 2019

Sr. No.	Category	No. of Shares	% of Holding
1.	Promoters and Promoters Group	30,72,84,490	32.95
2.	Mutual Funds / FIs / Banks / Insurance Companies	3,27,68,411	3.51
3.	FII's/ FPI's	27,20,70,915	29.17
4.	NRIs / Foreign Nationals / Foreign Bodies Corporate	2,10,30,942	2.26
5.	Public and Others	25,46,18,026	27.30
6.	Non Promoter- Non Public	4,48,96,780	4.81
	Total	**93,26,69,564**	**100.00**

VIII. Dematerialisation of shares: As on March 31, 2019, 93,18,54,874 Equity Shares representing 99.91% of the issued share capital of the Company were held in dematerialised form and 8,14,690 Equity Shares representing 0.09% of the issued share capital were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by a Practicing Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form.

IX. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

X. Details of shares lying in the suspense account pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Details	
		No. of Shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	96	7690
2	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	1	80
3	Number of shareholders to whom shares were transferred from the suspense account during the year	1	80
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	95	7610

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

XI. Credit rating

The Company did not obtain any credit rating during the financial year 2018-19.

XII. Plant locations – Not Applicable

XIII. Other Disclosures

i. The Company did not enter into any materially significant related party transactions having a potential conflict with the interests of the Company. Transactions with the related parties are disclosed in the audited financial statements.

ii. The financial statements (both standalone and consolidated) have been prepared in accordance with the applicable accounting standards, the Indian Accounting Standards (Ind-AS).

iii. There were no instances of non-compliance by the Company on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, during the last three years.

iv. The Company has a Whistle Blower Policy for employees to report genuine grievance about unethical behavior, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.

v. The Policy for determining Material Subsidiaries and the Policy on Related Party Transactions are available at: https://www.edelweissfin.com/documents/30595/209699/Policy%20For%20Determining%20Material%20Subsidiaries.pdf and https://www.edelweissfin.com/documents/30595/209699/Related%20Party%20Transactions%20Policy.pdf

vi. Part E of Schedule II:

- The Company has an Executive Chairman.
- The results of the Company are uploaded on the website, besides publication in newspapers.
- The Company's financial statements of 2018-19 do not contain any audit qualification.

- The Internal Auditor makes presentations to the Audit Committee.

vii. The Company has complied with all the mandatory requirements of Corporate Governance as prescribed in Regulation 17 to 27, 46(2) (b) to (i), and Schedule V of Chapter IV of the Listing Regulations.

viii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the Financial Year: Nil

b. Number of complaints disposed of during the Financial Year: Nil

c. Number of complaints pending as on end of the Financial Year: Nil

XIV. CEO / CFO Certification

The CEO and the CFO have certified to the Board, the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, with regard to financial statements.

XV. Compliance Certificate

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate issued by M/s. BNP & Associates, Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance forms a part of this Report.

Address for correspondence: For any assistance, request or instruction regarding transfer or transmission of shares and debentures, dematerialisation of shares, change of address, non receipt of annual report, dividend warrant and any other query relating to the shares and debentures of the Company, the investors may please write to the following address:

Link Intime India Private Limited
Unit: Edelweiss Financial Services Limited
C 101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: +91 22 4918 6270
Fax: +91 22 4918 6060
e-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The Company Secretary
Edelweiss Financial Services Limited
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.
Tel: +91 22 4009 4400
Fax: +91 22 4086 3759
E-mail: efsl.shareholders@edelweissfin.com
Website: www.edelweissfin.com

Declaration by the Managing Director & CEO under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Edelweiss Code of Conduct

In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby confirmed that for the financial year ended March 31, 2019, the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Edelweiss Code of Conduct.

For **Edelweiss Financial Services Limited**

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Date: May 14, 2019

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Edelweiss Financial Services Limited

We have examined the compliance of conditions of Corporate Governance, by Edelweiss Financial Services Limited (“the Company ”), for the financial year ended March 31, 2019 , as prescribed in the Regulations 17 to 27 , 46 (2) (b) to (i), and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR “) .

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance . It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion , and to the best of our information and according to the explanations , given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the aforesaid provisions of LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400] [PR No. 544 /2017]

B. Narasimhan
Partner
FCS No. 1303 / CP No. 10440

Place : Mumbai
Date : May 14, 2019

Edelweiss
Ideas create, values protect

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Edelweiss Financial Services Limited

Consolidated Financial Statements for the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Edelweiss Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and trusts comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated 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 consolidated 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 consolidated 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 consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Transition to IND AS accounting framework (as described in note 57 of the consolidated Ind AS financial statements)	

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The consolidated Ind AS financial statements are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, for transition to Ind AS, the Group has prepared consolidated Ind AS 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. In preparing these consolidated Ind AS financial statements, the Group’s opening balance sheet was prepared as at April 1, 2017, the Group’s date of transition to Ind AS.

The transition has involved significant change in the Group’s policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting.

In view of the material impact and the complexity of implementation of the Ind AS framework and significance of the various disclosure, the transition to Ind AS was of particular importance for our audit as any error could lead to material misstatement in the preparation and presentation of the consolidated Ind AS financial statements.</td><td>Our audit procedures included considering the processes laid down by the management to implement such transition combined with procedures performed as follows:
• We obtained management’s assessment of applicability of various accounting standards under Ind AS and their impact on the Group’s financial statements and read/ assessed the nature of the Ind AS adjustments based on the applicable Ind AS and previous period accounting policies prepared in accordance with IGAAP.
• We tested the exemptions taken by the Group for first time adoption of Ind AS as described in the financial statements.
• We tested the details of Ind AS adjustments carried out by the Group as described in the reconciliation of equity as at the transition date and comparative year end date reported under erstwhile Indian GAAP to Ind AS and reconciliation of the statement of profit and loss for the comparative year end date reported under erstwhile Indian GAAP to Ind AS.
• Performed test of details by inspection of contracts, documents and policies to assess the Ind AS adjustments.
• We read the shareholding agreements and other relevant documents to assess control and return to the Group.
• We assessed the disclosures with respect to the transition in accordance with the requirements of Ind AS 101 and other applicable disclosures in the consolidated Ind AS financial statement in accordance with the requirements of relevant Ind AS.</td></tr>
<tr><td colspan="2">Impairment of receivables from financing and other business (as described in note 5.6, 13 and 13.1 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group’s impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109.

Under this approach, the management has been required to exercise significant judgement in areas such as;
• calculation of past default rates;
• assigning rating grades to loans for which external rating is not available;
• calibrating external ratings-linked probability of default to align with past default rates;</td><td>Our audit procedures included considering the appropriateness of the Group’s accounting policies for impairment of financial assets and assessing compliance with Ind AS 109.
• We performed test of controls on classification of receivables into various stages through inspection of evidence and re-performance of those controls.
• We performed tests of details, on a sample basis and inspected the repayment schedule from the underlying borrower agreements and collections made on the due dates which formed the basis of the staging of loans.
• We assessed
• the Group’s expected credit loss provisioning methodology;</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
• applying macro-economic factors to arrive at forward looking probability of default; and • significant assumptions regarding the probability of various scenarios and discounting rates for different loan products. In view of the high degree of estimation involved in the process of calculating impairment provision and considering its significance to the overall consolidated Ind AS financial statements, whereby any error or omission in estimation may give rise to a material misstatement of the consolidated Ind AS financial statements, it is considered as a key audit matter. The impairment provision policy is presented under significant accounting policies in the consolidated Ind AS financial statements.	• the models used in determining the impairment provision; • the historical data and the external rating considered for calculating the default and loss given default rates; and • the key assumptions especially in respect of the macro-economic factors and discounting rates. • Performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimate determined by the management. • We assessed the relevant disclosures made in the consolidated Ind AS financial statements in accordance with the requirements of Ind AS 109 and Ind AS 107.
IT Systems	
The reliability and security of IT systems play a key role in the financial reporting process of the Group. The Group's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.	Our audit procedures assisted by our IT specialists, included: General IT controls: We tested the governance and other higher controls operating over the IT environment of the Group, including system access and system change management. We considered the controls over access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, and removal of access rights. Application controls: We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.
Valuation of Investments in Security Receipts (SR) (as described in note 5.11, 55.3 and 55.4 of the consolidated Ind AS financial statements)	
In the Group's financial statements, total investment in SR amounts to Rs. 53,121.56 million as disclosed in the consolidated Ind AS financial statements. The fair value of SRs is determined through discounted cash flow method which involves management judgement using level 3 inputs such as projection of future cash flows and expenses. The management has also involved credit rating agencies for valuation of SRs. Considering that fair valuation of investments is significant to overall financial statements and the degree of management's judgement involved in the estimate, any error in the estimate could lead to material misstatement in the financial statements. Therefore, it is considered as a key audit matter.	• Our audit procedures included an assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values. • We evaluated rationale of the models and accounting treatment applied. We compared observable inputs against independent sources and externally available market data for sample cases. • We compared the rating provided by independent rating agencies with fair valuation determined by the Group. • We have assessed the presentation of investments in SR and fair valuation for compliance with accounting standard.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work 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 Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a) The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019, March 31, 2018 and April 1, 2017, is the responsibility of ETLIFE's appointed Actuary. The actuarial valuations of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019, March 31, 2018 and April 01, 2017, has been duly certified by the ETLIFE's appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. The auditors of ETLIFE have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their opinion in this regard.

b) The actuarial valuation of liabilities of Edelweiss General Insurance Company Limited (EGICL) for Incurred But Not Reported and Incurred But Not Enough Reported claims of EGICL as at March 31, 2019 and March 31, 2018 is the responsibility of

EGICL's Appointed Actuary. The actuarial valuations of these liabilities has been duly certified by the EGICL's appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors of EGICL have relied upon the EGICL's appointed Actuary's certificate for expressing their opinion in this regard.

c) We did not audit the financial statements and other financial information, in respect of 39 subsidiaries, whose Ind AS financial statements include total assets of Rs. 1,51,057.21 million as at March 31, 2019, and total revenues of Rs. 27,493.31 million and net cash outflows of Rs. 1,630.45 million for the year ended on that date are considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

d) We did not audit the financial statements and other financial information and Ind AS adjustments in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs. 30.20 million as at March 31, 2019 and total revenues of Rs Nil million and net cash inflows of Rs. 1.01 million for the year ended March 31, 2019 are considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the management certified financial statement and other financial information.

e) We did not audit the Ind AS adjustment in respect of one associate, whose share of net profit of Rs. 41.99 million for the period April 01, 2018 to November 28, 2018 as considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of one associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the management certified financial statement and other financial information.

f) We did not audit the Ind AS adjustment in respect of 38 subsidiaries, whose Ind AS financial statements include total assets of Rs. 1,54,765.11 million as at March 31, 2018, and total revenues of Rs. 30,190.62 million and net cash inflows of Rs. 1,069.71 million for the year ended on that date are considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

g) We did not audit the Ind AS adjustment in respect of one associate, whose share of net profit of Rs. 0.01 million for the year ended March 31, 2018 is considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of one associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of such other auditors.

h) We did not audit the financial statements and other financial information and Ind AS adjustments in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs 18.79 million as at March 31, 2018 and total revenues of Rs 7.19 million and net cash inflows of Rs 14.18 million for the year ended March 31, 2018 are considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the management certified financial statement and other financial information.

i) We did not audit the Ind AS adjustment in respect of one associate, whose share of net loss of Rs. 12.08 million for the period April 1, 2017 to August 22, 2017 as considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of an associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the management certified financial statement and other financial information.

j) We did not audit the Ind AS adjustment in respect of 36 subsidiaries, whose Ind AS financial statements include total assets of Rs 1,15,274.85 million as at opening balance sheet date April 01, 2017 are considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

k) We did not audit the financial statements and other financial information and Ind AS adjustments in respect of 4 subsidiaries, whose Ind AS financial statements include total assets of Rs 620.22 million as at opening balance sheet date April 01, 2017 are considered in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information have been certified by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the management certified financial statement and other financial information.

l) The comparative consolidated financial information of the Group for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in this consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditors whose report for the year ended March 31, 2018 and March 31, 2017 dated May 3, 2018 and May 17, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

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

Report on Other Legal and Regulatory Requirements

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

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies and its associates incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements (Refer Note 50.1 to the consolidated Ind AS financial statements);

   ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts (Refer Note 64 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group)

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

Place : Mumbai
Date : May 14, 2019

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Edelweiss Financial Services 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 Financial Services Limited

In conjunction with our audit of the consolidated Ind AS financial statements of Edelweiss Financial Services Limited (“the Company”) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Edelweiss Financial Services Limited (hereinafter referred to as the “Holding Company”), its subsidiary companies, its associates and trusts which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and trusts, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 consolidated 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to explanations given to us and taking into consideration the reports of the other auditors referred to in the Other Matter paragraph below, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to 39 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

Place : Mumbai
Date : May 14, 2019

Consolidated balance sheet as at 31 March 2019

(Currency: Indian rupees in millions)	Note	31 March 2019	31 March 2018	01 April 2017
ASSETS				
Financial assets				
(a) Cash and cash equivalents	8	**31,158.21**	24,080.96	10,390.15
(b) Bank balances other than cash and cash equivalents	9	**33,396.05**	21,536.82	27,184.89
(c) Derivative financial instruments	10	**1,940.90**	8,577.89	1,416.70
(d) Stock in trade (Securities held for trading)	11	**39,136.66**	47,981.24	39,040.00
(e) Trade Receivables	12	**27,540.06**	30,093.36	13,989.35
(f) Loans	13	**3,84,083.10**	3,84,390.66	2,68,581.59
(g) Investments	14	**87,990.47**	78,871.41	58,154.28
(h) Other financial assets	15	**9,998.51**	9,805.14	8,344.85
Total financial assets		**6,15,243.96**	6,05,337.48	4,27,101.81
Non-financial assets				
(a) Inventories	16	**1,691.32**	1,429.06	2,687.50
(b) Reinsurance assets	60 & 61	**2,886.19**	2,490.31	2,035.69
(c) Current tax assets (net)		**4,326.64**	5,099.77	4,171.93
(d) Deferred tax assets (net)	17	**4,905.87**	5,950.30	4,928.61
(e) Investment property	18	**3,144.51**	1,772.79	3,487.89
(f) Property, Plant and Equipment	19	**5,477.86**	5,767.66	5,300.43
(g) Capital work in progress		**102.94**	8.73	610.03
(h) Intangible assets under development		**333.90**	412.92	399.54
(i) Goodwill	19.1	**1,742.72**	1,543.85	1,521.71
(j) Other Intangible assets	19	**2,282.58**	1,468.78	1,102.72
(k) Other non- financial assets	20	**3,296.95**	3,590.51	2,219.36
Total Non-financial assets		**30,191.48**	29,534.68	28,465.41
TOTAL ASSETS		**6,45,435.44**	6,34,872.16	4,55,567.22
LIABILITIES				
Financial liabilities				
(a) Derivative financial instruments	10	**1,929.51**	999.30	948.93
(b) Trade Payables				
i. total outstanding dues of micro enterprises and small enterprises	21.1	**4.10**	2.90	1.50
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	21.2	**19,748.73**	15,911.73	20,642.58
(c) Insurance claims payable		**45.61**	55.06	19.74
(d) Debt securities	22	**2,45,910.48**	2,49,385.48	2,19,698.75
(e) Borrowings (other than debt securities)	23	**1,94,352.61**	2,13,895.33	1,14,572.24
(f) Deposits	24	**1,436.76**	3,412.15	553.16
(g) Subordinated Liabilities	25	**23,676.58**	22,947.95	13,188.75
(h) Other financial liabilities	26	**32,401.01**	22,841.66	12,378.86
Total financial liabilities		**5,19,505.39**	5,29,451.56	3,82,004.51
Non-financial liabilities				
(a) Current tax liabilities (net)		**1,435.14**	2,059.19	1,206.42
(b) Provisions	27	**327.71**	903.78	1,265.06
(c) Policyholders' liabilities	60 & 61	**24,492.79**	16,538.04	11,225.05
(d) Deferred tax liabilities (net)	17	**2,532.70**	1,663.92	1,086.61
(e) Other non-financial liabilities	28	**9,991.80**	5,992.97	4,692.83
Total non-financial liabilities		**38,780.14**	27,157.90	19,475.97
TOTAL LIABILITIES		**5,58,285.53**	5,56,609.46	4,01,480.48
EQUITY				
(a) Equity Share capital	29	**887.77**	870.60	787.67
(b) Other equity	30	**75,882.03**	67,962.67	44,020.44
Equity attributable to owners of the parent		**76,769.80**	68,833.27	44,808.11
Equity attributable to Non-Controlling Interests		**10,380.11**	9,429.43	9,278.63
TOTAL EQUITY		**87,149.91**	78,262.70	54,086.74
TOTAL LIABILITIES AND EQUITY		**6,45,435.44**	6,34,872.16	4,55,567.22

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 66

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Consolidated statement of profit and loss for the year ended 31 March 2019

(Currency: Indian rupees in millions)	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	31	**65,118.43**	50,391.92
Dividend Income		**2,270.66**	2,739.89
Fee and commission income	32	**21,333.64**	21,384.52
Net gain on fair value changes[1]	33	**9,238.92**	6,476.71
Premium from insurance business (net)		**8,840.42**	6,011.67
Other operating revenue	34	**1,136.35**	1,732.48
Total revenue from operations		**1,07,938.42**	88,737.19
Other income	35	**837.12**	471.23
Total income		**1,08,775.54**	89,208.42
Expenses			
Finance costs	36	**47,183.92**	38,763.38
Impairment on financial instruments	38	**4,848.96**	6,256.63
Employee benefits expense	37	**16,499.89**	13,742.26
Depreciation and amortisation expenses	19	**1,316.33**	1,035.95
Change in insurance policy liability - actuarial		**7,279.28**	4,692.59
Policy benefits paid		**624.60**	695.68
Other expenses	39	**13,627.45**	10,520.75
Total expenses		**91,380.43**	75,707.24
Profit before share in profit / (loss) of associates and tax		**17,395.11**	13,501.18
Share in profit / (loss) of associates		**41.99**	(12.07)
Profit before tax		**17,437.10**	13,489.11
Tax expense:	40		
Current tax		**6,548.66**	5,406.04
Deferred tax and Minimum alternate tax (MAT)		**444.75**	(287.47)
Profit for the year		**10,443.69**	8,370.54
Other Comprehensive Income			
(A)			
(i) Items that will not be reclassified to profit or loss Re-measurements of the defined benefit plans;		**(25.89)**	25.64
(ii) Income tax relating to items that will not be reclassified to profit or loss		**4.04**	(4.03)
Subtotal (A)		**(21.85)**	21.61
(B)			
(i) Items that will be reclassified to profit or loss			
Debt Instruments through Other Comprehensive Income		**440.50**	(366.76)
Exchange differences in translating the financial statements of foreign operations		**154.70**	21.60
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
Subtotal (B)		**595.20**	(345.16)
Other Comprehensive Income (A+B)		**573.35**	(323.55)
Total Comprehensive Income		**11,017.04**	8,046.99
Profit for the year attributable to:			
Owners of the parent		**9,951.66**	8,631.83
Non-controlling interests		**492.03**	(261.29)
Other Comprehensive Income for the year attributable to:			
Owners of the parent		**384.13**	(156.50)
Non-controlling interests		**189.22**	(167.05)
Total Comprehensive Income for the year attributable to:			
Owners of the parent		**10,335.79**	8,475.33
Non-controlling interests		**681.25**	(428.34)
Earnings per share (Face value INR 1 each)	42		
- Basic		**11.28**	10.46
- Diluted		**11.09**	10.12

[1] Includes income on purchased or originated credit impaired assets

The accompanying notes are an integral part of the Consolidated Financial Statements 1 to 66

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Consolidated Cash Flow Statement for the year ended 31 March 2019

	(Currency : Indian rupees in millions)	For the year ended 31 March 2019	For the year ended 31 March 2018
A	**Cash flow from operating activities**		
	Profit before tax	**17,437.10**	13,489.11
	Adjustments for:		
	Depreciation and amortisation expenses	**1,316.33**	1,035.95
	Expense on employee stock option plans	**225.47**	154.93
	Impairment on financial instruments	**4,848.96**	6,256.63
	Interest on income tax refund	**(262.97)**	(46.83)
	Dividend Income	**(2,270.66)**	(2,739.89)
	(Profit) / loss on sale of property, plant and equipment (net)[1]	**0.90**	(44.88)
	(Profit) / loss on sale of investment property (net)[1]	**(17.49)**	(71.90)
	Realised fair value (gain)/loss on financial instruments	**(6,752.23)**	(9,442.77)
	Unrealised fair value (gain)/loss on financial instruments	**(2,486.69)**	2,966.06
	Provision for policyholders liability	**7,279.28**	4,692.59
	Finance costs	**8,436.64**	9,817.12
	Operating cash flow before working capital changes	**27,754.64**	26,066.12
	Adjustments for:		
	Decrease/ (increase) in trade receivables	**2,667.58**	(16,684.32)
	Decrease/(increase) in stock-in-trade and Inventory	**9,107.44**	(7,682.20)
	Decrease/(increase) in Other financial/non financial assets	**(1.62)**	(3,292.05)
	Decrease/(increase) in Derivative Financial Instruments	**7,567.20**	(7,110.82)
	Decrease/(increase) in loans	**(4,634.27)**	(1,21,485.29)
	Increase / (decrease) in trade payables	**3,838.20**	(4,729.45)
	Increase / (decrease) in insurance claim payable	**(9.45)**	35.32
	Increase / (decrease) in other financial liabilities	**7,625.58**	9,074.41
	Increase / (decrease) in Provisions	**(576.07)**	(361.28)
	Increase / (decrease) in provision for policyholders' liabilities	**675.47**	620.40
	Increase / (decrease) in other non-financial liabilities	**3,998.83**	1,300.13
	Cash generated from / (used in) operations	**58,013.53**	(1,24,249.03)
	Income taxes paid (net of refund)	**(6,132.58)**	(5,438.31)
	Net cash generated from / (used in) operating activities - A	**51,880.95**	(1,29,687.34)
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangibles	**(2,436.29)**	(1,407.06)
	Proceeds from sale of property, plant and equipment	**579.87**	170.62
	Purchase/(sale) of investment property	**(1,354.23)**	1,787.00
	Purchase of investments[1]	**98.45**	(14,240.51)
	Dividend on investments	**2,270.66**	2,739.89
	(Investment)/Maturity of Bank deposits	**(11,859.24)**	5,648.06
	Net cash used in investing activities - B	**(12,700.78)**	(5,302.00)

Consolidated Cash Flow Statement for the year ended 31 March 2019

(Currency : Indian rupees in millions)		For the year ended 31 March 2019	For the year ended 31 March 2018
C	**Cash flow from financing activities**		
	Proceeds from issue of shares including premium and share application money (net of issue expenses)	**675.32**	16,221.84
	Investment by Non Controling Interest	**1,412.25**	2,024.05
	Proceeds/(repayment) from Debt securities[1]	**(3,475.00)**	29,686.73
	Proceeds/(repayment) from Borrowings (other than debt securities)[1]	**(19,542.72)**	99,323.09
	Proceeds/(repayment) from Deposits[1]	**(1,975.39)**	2,858.98
	Proceeds/(repayment) from Subordinated Liabilities[1]	**728.63**	9,759.20
	Dividend and dividend distribution tax paid	**(1,489.39)**	(1,376.62)
	Finance cost paid	**(8,436.62)**	(9,817.12)
	Net cash (used in)/generated from financing activities - C	**(32,102.92)**	1,48,680.15
	Net increase in cash and cash equivalents (A+B+C)	**7,077.25**	13,690.81
	Cash and cash equivalents as at the beginning of the year	**24,080.96**	10,390.15
	Cash and cash equivalents as at the end of the year	**31,158.21**	24,080.96

Notes:

1. Net figures have been reported on account of volume of transactions.
2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed uder the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. Net cash generated from/(used in) operating activities includes interest received ₹ 65,118.43 Million (Previous year ₹ 50,391.92 Million) and interest paid ₹ 38,747.30 Million (Previous year ₹ 28,946.26 Million).
4. Refer note 49 for changes in liabilities arising from financing activities.

The accompanying notes are an integral part of the Consolidated Financial Statements

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Consolidated Statement of changes in equity

(Currency: Indian rupees in millions)

A. Equity share capital[1]

Particulars	Amount
As at 1 April 2017	**787.67**
Changes in equity share capital during FY 2017-18	**82.93**
As at 31 March 2018	**870.60**
Changes in equity share capital during FY 2018-19	**17.17**
As at 31 March 2019	**887.77**

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements, these trusts are holding 4,48,96,780 number of equity shares as on 31 March 2019 amounting to INR 44.90 million (as at 31 March 2018: INR 44.90 million; as at 1 April 2017: INR 44.90 million). These are treasury shares and deducted from total outstanding equity shares.

2. Refer note 29 for detailed quantitative information including investors holding more than 5% of equity share capital

B. Other equity

Particulars	Reserves and Surplus										Other comprehensive income		Total attributable to owners of the parent	Non-controlling Interests
	Share application money pending allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debenture redemption reserve	Retained earnings	Foreign exchange translation reserve	Debt instruments through Other Comprehensive Income		
Balance at 1 April 2017	40.94	6,777.59	166.74	12,070.61	651.01	4,512.90	271.72	916.82	4,536.45	14,102.94	(0.64)	(26.64)	44,020.44	9,278.63
Profit for the year										8,631.83			8,631.83	(261.29)
Other comprehensive income										21.61	21.60	(199.71)	(156.50)	(167.05)
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-	8,653.44	21.60	(199.71)	8,475.33	(428.34)
Dividends to equity shareholders										(1,152.58)			(1,152.58)	
Dividend distribution tax										(224.04)			(224.04)	
Issue of equity instruments through Qualified Institutional Placement	(15,277.50)			15,222.94									(54.56)	
Issue of equity instruments and transfer from ESOP reserve	(1,031.00)			1,002.63	-								(28.37)	

B. Other equity *(Continued)*

Particulars	Reserves and Surplus										Other comprehensive income		Total attributable to owners of the parent	Non-controlling Interests
	Share application money pending allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debenture redemption reserve	Retained earnings	Foreign exchange translation reserve	Debt instruments through Other Comprehensive Income		
Equity Share issue expenses				(70.80)									(70.80)	
ESOP charge					154.93								154.93	
Transaction with non-controlling interests										(71.29)			(71.29)	(1,138.71)
Transfers to / from retained earnings				333.87	(333.87)	1,319.34	140.58		2,002.60	(3,462.52)			-	
Income tax effect of ESOP										183.39			183.39	
Share application money received	16,292.64												16,292.64	
Effect of changes in group's interest		437.58								-			437.58	1,717.85
Balance at 31 March 2018	25.08	7,215.17	166.74	28,559.25	472.07	5,832.24	412.30	916.82	6,539.05	18,029.34	20.96	(226.35)	67,962.67	9,429.43

B. Other equity *(Continued)*

Particulars	Reserves and Surplus										Other comprehensive income		Total attributable to owners of the parent	Non-controlling Interests
	Share application money pending allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debenture redemption reserve	Retained earnings	Foreign exchange translation reserve	Debt instruments through Other Comprehensive Income		
Balance at 31 March 2018	25.08	7,215.17	166.74	28,559.25	472.07	5,832.24	412.30	916.82	6,539.05	18,029.34	20.96	(226.35)	67,962.67	9,429.43
Profit for the year										9,951.66			9,951.66	492.03
Other comprehensive income										(21.85)	154.70	251.28	384.13	189.22
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	9,929.81	154.70	251.28	10,335.79	681.25
Dividends to equity shareholders										(1,241.16)			(1,241.16)	
Dividend distribution tax										(248.23)			(248.23)	
Issue of equity instruments and transfer from ESOP reserve	(694.25)			677.08									(17.17)	
ESOP charge					225.48								225.48	
Transfers to / from retained earnings				236.96	(236.96)	1,671.70	124.92		3,802.07	(5,598.69)			-	
Income tax effect of ESOP										(1,246.43)			(1,246.43)	
Transaction with non-controlling interests										(1,409.30)			(1,409.30)	(591.23)
Share application money received	675.32												675.32	
Effect of changes in group's interest		845.06								-			845.06	860.66
Balance at 31 March 2019	**6.15**	**8,060.23**	**166.74**	**29,473.29**	**460.59**	**7,503.94**	**537.22**	**916.82**	**10,341.12**	**18,215.34**	**175.66**	**24.93**	**75,882.03**	**10,380.11**

1. Refer note 30 for information on nature of reserve maintained at Group level

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Notes to the consolidated financial statements

1. Background

Edelweiss Financial Services Limited (‘the Company’) is registered with Securities and Exchange Board of India (SEBI) as Category I – Merchant Banker. The Company was incorporated on 21 November 1995 and is the ultimate holding company of Edelweiss group of companies.

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

2. Basis of preparation of consolidated financial statements

The consolidated financial statements relate to Edelweiss Financial Services Limited (‘the Company’) and its subsidiaries, trusts (together ‘the Group’) and associates. The Group is primarily engaged in (a) agency business, which includes Broking, advisory, product distribution and other fee based services, (b) Capital based business which includes Income from treasury, investment income and financing, and (c) Life insurance and General insurance business

The consolidated financial statements of the Group 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 31 March 2018, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31st March 2019 are the first financial statements of the Group prepared under Ind AS. Refer note 57 for information on Group's transition to Ind AS. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 14 May 2019.

These consolidated financial statements have been prepared on a historical cost basis, except for entities under liquidation/ dissolution[1] and certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, which have been measured at fair value. The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

3. Presentation of financial statements

The Group 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 48.

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. transactions under International Swaps and Derivative Association (ISDA) master agreement) 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.

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1 Refer note 58

4. Basis of consolidation:

The consolidated financial statements as on 31 March 2019, comprise the financial statements of the Company and its subsidiaries as at 31 March 2019 including any controlled structured entities. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. However, no subsidiaries, associates and consolidated structure entities have followed different accounting policies than those followed by the Group for the preparation of these consolidated financial statements.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill, refer note no 5.25

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

   Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

   All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4 Basis of consolidation: ***(Continued)***

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. With respect to put options granted by the Group to the holders of non-controlling interests in a subsidiary, where the Group does not have a present ownership interest in the shares subject to put, till the put remains unexercised, non-controlling continues to be recognised including allocation of profit or loss, other comprehensive income and other changes in equity of the subsidiary. However, at each reporting date, the non-controlling interest is derecognised as if it were acquired at that date and a financial liability is recognised and measured at its fair value. The difference between these two amounts is recognised as an equity transaction and attributed to owners of the parent.

Given the level of judgement required regarding consolidation of structured entities, these considerations are described further in the significant accounting judgements in Note 6.1(c). Disclosures for investment in subsidiaries, and structured entities are provided in Note 58.

The financial statements of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as “Foreign Exchange Translation Reserve” forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

Investment in associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but it's not control or joint control over those policies

5. Significant accounting policies

5.1 Recognition of Interest and Dividend income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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.

When a financial asset becomes credit-impaired and is, therefore, regarded as ‘Stage 3’, the Group calculates interest income by applying the effective interest rate to the amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

5. Significant accounting policies *(Continued)*

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Dividend income is recognised in profit or loss when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

5.2 Financial Instruments

5.2.1 Date of recognition

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

5.2.2 Initial measurement of financial instruments

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

5.2.3 Day 1 profit or loss

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

5.3 Classification of financial instruments

5.3.1 Financial assets:

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

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

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

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

5. Significant accounting policies *(Continued)*

Debt financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Other than above classification of amortised cost and FVOCI, all other financial assets are initially measured at fair value and subsequently measured at FVTPL.

5.3.1.1 Amortised cost and Effective interest method

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.

5.3.1.2 Financial assets held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued 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 evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Financial assets designated at FVTPL, please refer note 5.3.2.2

5.3.1.3 Financial asset measured at FVOCI

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to profit and loss statement. Interest income on such instrument is recognised in profit and loss statements as per EIR method.

5.3.1.4 Investment in equity instruments

The Group 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 and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

5.3.2 Financial liabilities

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

5.3.2.1 Debt securities and other borrowed funds

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

5. Significant accounting policies *(Continued)*

The Group 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.

5.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value. 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 Group'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.

5.3.2.3 Financial guarantee:

Financial guarantees are contracts that require the Group to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

5.3.2.4 Loan commitment

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

5.3.3 Financial liabilities and equity instruments

Financial instruments issued by the group 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 a group entity are recognised at the proceeds received, net of direct issue costs.

5. Significant accounting policies *(Continued)*

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

5.3.4 Derivatives

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Group has designed a risk strategy based to cover exposure on issuance of Benchmark Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence supports to reduce the risk exposure.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately

Embedded derivatives

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. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

5.4 Reclassification of financial assets and financial liabilities

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

5.5 Derecognition of financial assets and financial liabilities

5.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

When assessing whether or not to derecognise a financial assets, amongst others, the Group considers the following factors:

- Change in currency of the loan

- Introduction of an equity feature

- Change in counterparty

5. Significant accounting policies *(Continued)*

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

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

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

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

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

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

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

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

  A transfer only qualifies for derecognition if either:

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

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

5.5.3 Derecognition of financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

5. Significant accounting policies *(Continued)*

5.6 Impairment of financial assets

The Group 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.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group 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 Group chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

For all other financial assets, where ECL to be recognised, the Group 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 has not increased significantly since initial recognition, the Group measures the loss allowance for such 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. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events 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 Group's understanding of the specific future financing needs of the borrowers, and other relevant forward-looking information.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group 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.

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

5. Significant accounting policies *(Continued)*

5.7 Collateral valuation

To mitigate its credit risks on financial assets, the Group 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 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 periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

5.8 Collateral repossessed

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

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

5.9 Write off

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

5.10 Forborne and modified loan

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

5.11 Determination of fair value

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

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

5. Significant accounting policies *(Continued)*

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

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 Group 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 Group has access at the measurement date. The Group 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

5.12 Revenue from contracts with customers

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

The Group recognises revenue from the following sources:

a. Fee income including investment banking, advisory fees and syndication fees, is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.

b. Clearing fee income arises, when the performance obligation related to trade is executed and a valid contract is generated for the trade. Fee income is accounted for, at a point in time or over a period of time in accordance with the terms and contracts entered into between the Group and the counterparty.

5. Significant accounting policies ***(Continued)***

5.12 Revenue from contract with customer *(Continued)*

c. Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, goods and service tax ("GST"), transaction charges and stock exchange expenses. Brokerage income on insurance broking business is recognised on an accrual basis at the inception of the insurance policy once the policy is issued by the insurance company based on the terms agreed with the insurance companies and is exclusive of GST.

d. Investment management fees are recognised net of GST over the tenure in accordance with the Investment Management Agreement with Edelweiss Mutual Fund ('the mutual fund') and comply with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 based on average Assets Under Management ('AUM') confirmed by the mutual fund.

e. Management fee from trusts declared by it for acquisition of financial assets and the same is accounted for over the tenure as per terms of the relevant trust deeds and offer document issued by the Trust. Further any upside share in excess realisation over acquisition price of financial asset is recognised at point in time basis as per terms of the relevant trust deed/offer document.Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Group, based on terms of the relevant trust deeds and offer document issued by the Trust.

f. Portfolio management fees are recognised over the tenure in accordance with portfolio management agreement entered with respective clients.

g. Interest on delayed payments, warehousing charges and rental income are recognised as revenue on certainty of realisation.

h. Agency commission/procurement income is recorded in pursuant to terms and conditions mentioned in scope of work or agreement.

i. Real estate advisory fee income is recognised basis the terms and conditions mentioned in the agreement.

j. Revenue from fund management services (excluding mutual fund business) is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.

k. Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund. The amount recognised as revenue is exclusive of GST.

l. Commodities sales are accounted as per the terms of agreement with parties.

m. Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the custom frontiers of India.

n. The Group recognises incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. This asset is amortised to profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

o. Lease rentals are recognised as income in Statement of Profit and Loss on a straight line basis over the lease term. Costs related to operating and maintenance of investment property is recognised as expense.

p. Insurance and other claims are recognised as revenue on certainty of realisation.

q. Profit or loss on sale of investments is recognised on trade date basis.

5. Significant accounting policies *(Continued)*

5.13 Operating leases

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

5.14 Earnings per share

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

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

5.15 Foreign currency transactions

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

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

5.16 Retirement and other employee benefit

Provident fund and national pension scheme

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

Gratuity

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

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

Remeasurements are not reclassified to profit or loss in subsequent periods

5. Significant accounting policies *(Continued)*

Compensated Absences

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

5.17 Share-based payment arrangements

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

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

5.18 Property, plant and equipment

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

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

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

As per the requirement of Schedule II of the Companies Act, 2013, the Group has evaluated the useful lives of the respective property, plant and equipment 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:

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Plant and Equipments	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Vessel (Boat)	13 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years
Solar power plant	15 years

5. Significant accounting policies *(Continued)*

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

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

5.19 Intangible assets

The Group's intangible assets mainly include the value of computer software. 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 Group.

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

5.20 Impairment of non-financial assets

The Group 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 Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

5.21 Cash and cash equivalents

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

5.22 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 Group. Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

5. Significant accounting policies *(Continued)*

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

5.23 Income tax expenses

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

5.23.1 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 Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

5.23.2 Deferred tax

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

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

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

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

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

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

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

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.

5. Significant accounting policies *(Continued)*

Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognises unsed MAT credit as a deferred tax asset only to the extent that it is probable that the Group will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Group reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will be able to utilise it during the specified period.

5.24 Investment properties:

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

5.25 Business Combination :

The acquisition method of accounting is used for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is tested for impairment annually or more frequently if impairment indicators exists. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Business combination under common control:

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group. Group has accounted all such transactions based on pooling of interest method, which is as below:-

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

5. Significant accounting policies *(Continued)*

5.25 Business Combination : *(Continued)*

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve

5.26 Inventories:

Inventories are valued at weighted average cost or net realisable value whichever is lower.

5.27 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE"):

a. Product classification

Insurance contract

Insurance contracts are those contracts when ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

As a general guideline, ETLIFE determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Such contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Contracts can be classified as insurance contracts after inception if insurance risk becomes significant.

Investment contract

Investment contracts are those contracts which are not insurance contract. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits.

Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS.

b. Revenue recognition:

- Premium Income:

  Premium income on insurance contracts and investment contracts with DPF are recognised as income when due from policyholders. For regular premium contracts, receivables are recognised at the date when payments are due.

  In respect of linked business, premium income is recognised when the associated units are allotted. Top up premiums paid by unit-linked policyholders are considered as single premium and recognised as income when the associated units are created.

5. Significant accounting policies *(Continued)*

Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

- Reinsurance premium ceded:

  Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

- Income from Unit Linked Policies

  Income from unit-linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit-linked funds in accordance with the terms and conditions of the policies issued and are recognised as and when due.

- Fee management charges of investment contract

  Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees are recognised as revenue in the period in which they are collected unless they relate to services to be provided in future periods, in which case they are deferred and recognised as and when the services are provided.

- Interest income on policy loans is recognised using effective interest rate method

c. Acquisition costs

Acquisition cost which are primarily relatable to the acquisition of insurance and investment contracts with DPF are expensed in the period in which they are incurred.

For investment contracts with or without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the period in which the service is provided.

Benefits paid:

Benefits paid consists of the policy benefit and claim settlement costs, if any.

- **Non-linked business**

  Death, rider, withdrawals and surrender claims are accounted for on receipt of intimation. Maturity, survival benefit and annuities are accounted when due.

- **Linked-business**

  Death and rider are accounted for on receipt of intimation.

  Maturity claims and survival benefit are accounted for on due basis.

  Surrenders and withdrawals are accounted for on receipt of intimation.

  Amount payable on lapsed/discontinued policies are accounted for on expiry of lock in period of these policies.

- **Reinsurance**

  Reinsurance claims receivable are accounted for in the same period as the related claim.

5. Significant accounting policies *(Continued)*

d. Reinsurance ceded

ETLIFE cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the statement of profit and loss.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The impairment loss is recorded in the statement of Profit or loss.

e. Liability adequacy test

ETLIFE assesses at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in the statement of profit or loss.

f. Policyholder Liability

Insurance contract and investment contract with DPF

Insurance and investment contract with DPF claims / liabilities are measured using the accounting policies consistent with those adopted previously under existing accounting practices.

Hence, the policyholder liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 and amendments thereafter, applicable regulations notified by the Insurance Regulatory and Development Authority of India (IRDAI), and Actuarial Practice Standards issued by the Institute of Actuaries of India.

g. Investment contracts without DPF

Liability in respect of investment contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices.

h. Unclaimed amount of policyholders

- Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI Regulations and Investment Regulations, 2016 as amended from time to time.
- Unclaimed amount of policyholders' assets grouped under other financial assets is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortised cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.

5. Significant accounting policies *(Continued)*

- Unclaimed amount of policyholders' liability grouped under trade payables is determined on the basis of NAV of the units outstanding as at the valuation date.
- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above mentioned regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

5.28 Significant accounting policies of General insurance business (Edelweiss General Insurance Company Limited - "EGICL")

Revenue recognition in general insurance business

- Premium Income

  Premium income including reinsurance accepted (net of goods and service tax), is recognised as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for instalment basis, it is recognised on instalment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognised in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled. Premium received in advance represents premium received prior to the commencement of the risk.

- Reinsurance Ceded

  Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revisions to, refunds or cancellations of premiums are recognised in the year in which they occur. Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

- Commission income from reinsurance ceded

  Commission from reinsurance ceded is recognised as income on ceding of reinsurance premium in the period of ceding of risk. Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

- Reserve for Unexpired Risk

  Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on $1/365^{th}$ method for all segments, other than Health insurance policies with Health 241 Add ON cover. In Marine Hull business it is subject to a minimum of 100%.

  In Health insurance policies with Health 241 Add ON cover; the unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on:

  a) 1/730 basis where there is no claim reported in the 1^{st} year of policy

  b) 1/365 basis where the claim is reported in the 1^{st} year of policy

5. Significant accounting policies *(Continued)*

- Claims Incurred

  Claims incurred comprise of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims incurred also include specific claim settlement costs comprising survey fees, legal expenses and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

  Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from / payable to co-insurers / reinsurers, salvage to the extent there is certainty of realisation and other recoveries. Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates include claim settlement costs likely to be incurred to settle outstanding claims.

  IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of EGICL. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

- Premium deficiency

  Premium deficiency (‘PDR’) is recognised at segmental revenue account level, when the sum of expected net claim costs, related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed Actuary.

6. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 5, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

6. Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

6.1. 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 Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

a. 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 Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group 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 Group'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.

b. 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 Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

c. Consolidation of structured entities

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

6.2. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

6. Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

a. 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.

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

b. 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 Group'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 Group'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 Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

c. Effective interest rate method

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle

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

6. Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

d. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

7. Standards issued but not yet effective

7.1. Ind AS 116 Leases:

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

7.2. Prepayment Features with Negative Compensation (Amendments to Ind AS 109)

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

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

7.3. Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long-term interests. Furthermore, in applying Ind AS 109 to long-term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after 1 April 2019. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of Ind AS 109.

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

7. Standards issued but not yet effective (Continued)

7.4. Annual Improvements to Ind AS (2018)

7.4.1 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.

7.4.2 Ind AS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

7.4.3 Ind AS 103 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. These amendments are to be applied for business combinations in which the date of acquisition is on or after 1 April 2019.

7.4.4 Ind AS 111 Joint Arrangements

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation. These amendments are to be applied to transactions in which joint control is obtained on or after 1 April 2019.

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

7.5. 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)).

7. Standards issued but not yet effective (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 Consolidated Financial Statements.

7.6. 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:
    - o 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.
    - o If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

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

(Currency: Indian rupees in millions)

		31 March 2019	31 March 2018	1 April 2017
8.	**Cash and cash equivalents**			
	Cash in hand	**56.01**	52.41	33.04
	Cheques in hand	**295.28**	1,714.90	184.11
	Balances with banks:			
	- in Current accounts	**21,653.75**	22,046.30	10,036.11
	- in fixed deposits with original maturity less than 3 months	**9,153.17**	267.35	136.89
	Total	**31,158.21**	**24,080.96**	**10,390.15**

		31 March 2019	31 March 2018	1 April 2017
9.	**Bank Balance other than cash and cash equivalents**			
	Fixed deposits at amortised cost (refer Note 1 below) (held as margin money or security against borrowings, guarantees)	**33,383.32**	21,531.96	27,179.51
	In unpaid dividend accounts	**12.73**	4.86	5.38
	Total	**33,396.05**	**21,536.82**	**27,184.89**

Note 1:

- Pledged fixed deposit aggregating to ₹ 6,336.77 millions (previous year ₹ 2,773.83 million) with bank for securing credit facilities, obtaining bank guarantees, securitisation contracts and meeting margin requirement for trading in cross currency swaps and forward margin.
- Pledged fixed deposit aggregating to ₹ 13,183.43 millions (previous year ₹ 1,035.95 millions) with exchange to meet margin requirement
- Pledged fixed deposit aggregating to ₹ 155.61 millions (previous year ₹ 20.51 millions) with VAT,CST and excise authorities.
- Pledged fixed deposit aggregating to ₹ 21.25 millions (previous year ₹ 23.38 millions) with exchange towards arbitration
- Pledged fixed deposit aggregating to ₹ 47.77 millions (previous year ₹ 30.99 millions) with agriculture produce market committee for obtaining Mandi license
- Pledged fixed deposit aggregating to ₹ 5.00 millions (previous year ₹ 5.00 millions) with IRDA
- Margin money placed with brokers aggregating to ₹ 6,173.28 millions (previous year ₹ 3,231.68 millions) for trading purpose

10. Derivative financial instruments

31 March 2019	Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(i) Currency derivatives				
- Spot and forwards	**1,26,65,833**	**22.75**	**-**	**-**
- Currency Futures	**3,90,07,000**	**10.33**	**1,36,80,000**	**4.42**
- Currency Forwards	**-**	**-**	**3,56,24,205**	**2.48**
- Options purchased	**52,29,00,000**	**153.34**	**-**	**-**
- Options sold	**-**	**-**	**60,55,87,000**	**175.11**
Less: amounts offset (refer note 10.1)		**(33.08)**		**(179.53)**
Sub total (i)		**153.34**		**2.48**

Notes to the consolidated financial statements *(Continued)*
(Currency: Indian rupees in millions)

10. Derivative financial instruments *(Continued)*

31 March 2019		Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(ii)	**Interest rate derivatives**				
	- Forwards and Interest Rate Swaps	7,75,00,00,000	138.50	34,75,00,00,000	443.58
	- Options purchased	-	-	-	-
	- Options sold (written)	-	-	-	-
	- Futures	1,17,36,000	0.80	2,85,94,000	17.39
	Less: amounts offset (refer note 10.1)		(1.71)		(17.39)
	Subtotal (ii)		137.59		443.58
(iii)	**Equity linked derivatives**				
	- Stock Futures	1,12,51,197	74.14	88,95,974	24.37
	- Options purchased	2,85,150	3.11	-	-
	- Options sold (written)	-	-	14,64,616	14.35
	- Swaps	-	-	88,000	22.20
	Less: amounts offset (refer note 10.1)		(74.14)		(60.91)
	Subtotal (iii)		3.11		0.01
(iv)	**Index linked derivatives**				
	- Index Futures	2,74,200	23.81	6,16,500	27.99
	- Options purchased	2,46,77,675	1,066.05	-	-
	- Options sold (written)	-	-	5,30,13,215	775.79
	Less: amounts offset (refer note 10.1)		(23.81)		(789.42)
	Subtotal (iv)		1,066.05		14.36
(v)	**Embedded derivatives**				
	- In market linked debentures	Not Applicable	580.81	Not Applicable	1,469.08
	- In others	-	-	-	-
	Subtotal (v)		580.81		1,469.08
(vi)	**Other derivatives**				
	- Variance swaps	-	-	814	8.58
	- Total return swaps	-	-	-	-
	Less: amounts offset (refer note 10.1)		-		(8.58)
	Subtotal (vi)		-		-
Total			1,940.90		1,929.51

(Currency: Indian rupees in millions)

10. Derivative financial instruments *(Continued)*

31 March 2018		Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(i)	**Currency derivatives**				
	- Spot and forwards	10,27,61,982	15.91	13,57,13,580	755.91
	- Currency Futures	20,91,000	0.38	2,43,94,014	1.68
	- Currency Forwards	5,89,51,205	46.95	-	-
	- Options purchased	50,73,42,480	167.86	-	-
	- Options sold	-	-	53,78,25,751	567.10
	Less: amounts offset (refer note 10.1)		(1.98)		(1,321.31)
	Sub total (i)		229.12		3.38
(ii)	**Interest rate derivatives**				
	- Forwards and Interest Rate Swaps	19,16,63,08,020	130.92	29,55,78,46,268	152.63
	- Options purchased	-	-	-	-
	- Options sold (written)	-	-	23,175	2.07
	- Futures	12,45,12,412	5.10	1,23,68,302	7.90
	Less: amounts offset (refer note 10.1)		(82.08)		(104.76)
	Subtotal (ii)		53.94		57.84
(iii)	**Equity linked derivatives**				
	- Stock Futures	6,15,23,886	345.49	4,39,26,080	348.56
	- Options purchased	4,25,021	64.65	-	-
	- Options sold (written)	-	-	10,87,520	72.81
	- Swaps	3,23,65,851	471.06	-	-
	Less: amounts offset (refer note 10.1)		(816.55)		(421.38)
	Subtotal (iii)		64.65		(0.01)
(iv)	**Index linked derivatives**				
	- Index Futures	53,99,868	37.74	4,62,654	69.41
	- Options purchased	59,56,088	7,742.20	-	-
	- Options sold (written)	-	-	78,50,748	1,401.50
	Less: amounts offset (refer note 10.1)		(37.74)		(1,279.58)
	Subtotal (iv)		7,742.20		191.33
(v)	**Embedded derivatives**				
	- In market linked debentures	Not Applicable	487.98	Not Applicable	746.76
	- In others	-	-	-	-
	Subtotal (v)		487.98		746.76

(Currency: Indian rupees in millions)

10. Derivative financial instruments *(Continued)*

31 March 2018		Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(vi)	**Other derivatives**				
	- Variance swaps	12,42,859	(21.47)	-	-
	- Total return swaps	-	-	19,74,438	1.27
	Less: amounts offset (refer note 10.1)		21.47		(1.27)
	Subtotal (vi)		-		-
	Total		8,577.89		999.30

1 April 2017		Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(i)	**Currency derivatives**				
	- Spot and forwards	-	-	-	-
	- Currency Futures	29,45,46,000	162.25	2,25,37,000	11.47
	- Currency swaps	1,00,00,000	1.47	-	-
	- Currency Forwards	-	-	-	-
	- Options purchased	71,01,64,013	62.23	-	-
	- Options sold	-	-	28,23,12,000	110.81
	Less: amounts offset (refer note 10.1)		(156.44)		(122.28)
	Sub total (i)		69.51		-
(ii)	**Interest rate derivatives**				
	- Forwards and Interest Rate Swaps	23,000	31.92	55,00,08,750	56.17
	- Options purchased	-	-	-	-
	- Options sold (written)	-	-	-	-
	- Futures	4,04,86,000	14.05	88,38,000	3.11
	Less: amounts offset (refer note 10.1)		(14.05)		(3.11)
	Subtotal (ii)		31.92		56.17
(iii)	**Equity linked derivatives**				
	- Stock Futures	6,57,74,060	451.31	5,41,89,524	270.89
	- Options purchased	5,02,900	6.06	-	-
	- Options sold	-	-	14,21,100	10.54
	- Swaps	-	-	-	-
	Less: amounts offset (refer note 10.1)		(451.31)		(281.43)
	Subtotal (iii)		6.06		-

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

10. Derivative financial instruments *(Continued)*

1 April 2017		Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(iv)	**Index linked derivatives**				
	- Index Futures	13,60,950	182.36	36,29,885	239.63
	- Options purchased	15,81,170	850.02	-	-
	- Options sold	-	-	19,34,210	572.25
	Less: amounts offset (refer note 10.1)		(182.36)		(740.96)
	Subtotal (iv)		850.02		70.92
(v)	**Embedded derivatives**				
	- In market linked debentures	Not Applicable	459.19	Not Applicable	821.84
	- In others	-	-	-	-
	Subtotal (v)		459.19		821.84
Total			1,416.70		948.93

Note:

1. Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.

2. Group has designed a risk based strategy to cover exposure on issued Benchmarked Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.

(Currency: Indian rupees in millions)

10.1. Offsetting:

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

Financial assets subject to offsetting, netting arrangements

As at 31 March 2019:

Financial assets subject to offsetting	Offsetting recognised in the 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 in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	14,550.57	13,563.23	987.34	88.47	6.00	892.87	953.56	1,940.90	1,846.43
Cash settlement balances from clearing houses	40.64	2.28	38.36	-	-	38.36	-	38.36	38.36
Offset against the Margin (Refer to other financial asset - Receivable from exchange / clearing house (net))	(40.64)	(2.28)	(38.36)	-	-	(38.36)	-	(38.36)	(38.36)
TriParty REPO (TREPS)	3,700.11	3,700.11	-	-	-	-	-	-	-
Margin placed with broker	2,584.18	(11.43)	2,595.61	-	208.25	2,387.36	-	2,595.61	2,387.36

Financial liabilities subject to offsetting	Offsetting recognised in the 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 assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	2,605.68	1,392.29	1,213.39	88.47	277.75	847.17	716.12	1,929.51	1,563.27
TriParty REPO (TREPS)	5,797.14	3,700.11	2,097.03	-	41.05	2,055.98	-	2,097.03	2,055.98
Trade Payables	-	-	-	-	-	-	-	-	-
cash settlement balances payable to clearing houses	-	2.28	(2.28)	-	-	(2.28)	-	(2.28)	(2.28)

(Currency: Indian rupees in millions)

As at 31 March 2018:

Financial assets subject to offsetting	Offsetting recognised in the 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 in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	9,282.36	1,104.92	8,177.44	18.05	4.45	8,154.94	400.45	8,577.89	8,555.39
Cash settlement balances from clearing houses	21.71	-	21.71	-	-	21.71	-	21.71	21.71
Trade Receivables	-	-	-	-	-	-	-	-	-
CBLO Lending	3,500.00	3,500.00	-	-	-	-	-	-	-
Margin placed with broker*	266.39	6.95	259.44	-	15.28	244.16	-	259.44	244.16
Offset against the Margin (Refer to other financial asset - Receivable from exchange / clearing house (net))	(21.71)	-	(21.71)	-	-	(21.71)	-	(21.71)	(21.71)

Financial liabilities subject to offsetting	Offsetting recognised in the 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 assets	Collateral placed	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	9,520.62	9,149.02	371.60	18.05	26.18	327.37	627.70	999.30	955.07
CBLO Borrowings	18,825.41	3,500.00	15,325.41	-	41.05	15,284.36	-	15,325.41	15,284.36

(Currency: Indian rupees in millions)

As at 1 April 2017

Financial assets subject to offsetting	Offsetting recognised in the 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 in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	2,799.10	2,598.61	200.49	13.67	-	186.82	1,216.21	1,416.70	1,403.03
Stock in trade	4,103.87	3,022.71	1,081.16	0	-	1,081.16	0	1,081.16	1,081.16
cash settlement balances from clearing houses	87.55	3.99	83.56	0	-	83.56	0	83.56	83.56
Margin placed with broker*	1,111.58	-42.88	1,154.46	-	15.02	1,139.44	-	1,154.46	1,139.44
Offset against the Margin (Refer to other financial asset - Receivable from exchange / clearing house (net))	-87.55	-3.99	(83.56)	0	-	(83.56)	0	(83.56)	-83.56

Financial liabilities subject to offsetting	Offsetting recognised in the 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 assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	9,413.18	9,356.60	56.58	13.67	42.50	0.41	892.35	948.93	892.76
CBLO Borrowings	6,536.84	-	6,536.84	-	41.05	6,495.79	-	6,536.84	6,495.79
Cash collateral on securities lend and repurchase agreements	-	-	-	-	-	-	-	-	-
cash settlement balances payable to clearing houses	-	3.99	(3.99)	-	-	(3.99)	-	(3.99)	(3.99)

*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets INR 132.74 million, INR 938.35 million, INR 804.16 million for 2019, 2018 and 2017 respectively, As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability INR 1,047.25 million, INR 1,847.45 million, INR 1,025.50 million for 2019, 2018 and 2017 respectively,

(Currency: Indian rupees in millions)

11. Stock in trade (Securities held for trading) at FVTPL

	31 March 2019	31 March 2018	1 April 2017
Government Securities	**27,552.72**	31,069.82	21,452.72
Mutual Fund	**6,642.51**	10,744.79	9,880.08
Debt securities	**2,540.94**	2,711.97	2,577.16
Equity Shares	**2,400.36**	3,214.31	5,123.25
Preference Shares	**0.13**	240.35	6.79
Total	**39,136.66**	**47,981.24**	**39,040.00**
Investments in India	**38,715.87**	47,724.22	37,962.49
Investments outside India	**420.79**	257.02	1,077.51
Total	**39,136.66**	**47,981.24**	**39,040.00**

Note: Stock in trade pledged with exchange is amounting to ₹ 1,875.53 millions (previous year ₹ 2,002.97 million).

12. Trade Receivables

	31 March 2019	31 March 2018	1 April 2017
Receivables considered good - secured	**5,562.75**	13,210.96	6,209.89
Receivables considered good - unsecured	**17,266.66**	13,774.72	3,504.55
Receivables which have significant increase in credit risk	**1,899.20**	1,432.35	2,437.13
Receivables - credit impaired	**5,022.33**	4,000.49	3,582.63
Gross receivables	**29,750.94**	32,418.52	15,734.20
Provision for impairment - unsecured	**(69.44)**	(72.94)	(38.65)
Allowance for expected credit losses - Receivables which have significant increase in credit risk	**(221.76)**	(166.40)	(30.41)
Provision for impairment - credit impaired	**(1,919.68)**	(2,085.82)	(1,675.79)
Total receivables net of provision	**27,540.06**	30,093.36	13,989.35

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

	Days past due	0-90days	91-180 days	>180 days	Total
ECL rate		0.21%	20.81%	33.56%	
31-03-2019	Total Gross amount	23,224.35	219.29	6,307.30	29,750.94
	ECL - simplified approach	(48.80)	(45.62)	(2,116.46)	(2,210.88)
	Net carrying amount	**23,175.55**	**173.67**	**4,190.84**	**27,540.06**
ECL rate		0.15%	13.96%	37.24%	
31-03-2018	Total Gross amount	26,066.82	343.80	6,007.90	32,418.52
	ECL - simplified approach	(39.73)	(48.01)	(2,237.42)	(2,325.16)
	Net carrying amount	**26,027.09**	**295.79**	**3,770.48**	**30,093.36**
ECL rate		0.56%	11.63%	33.02%	
01-04-2017	Total Gross amount	10,451.38	270.02	5,012.80	15,734.20
	ECL - simplified approach	(58.19)	(31.41)	(1,655.25)	(1,744.85)
	Net carrying amount	**10,393.19**	**238.61**	**3,357.55**	**13,989.35**

*Includes receivables from stock exchanges / Clearing house. The Group has no history of default and expects same for future, accordingly no ECL allowance has been recognised on these type of receivables.

12.1. Reconciliation of impairment allowance on trade receivables:

Particulars	**INR**
Impairment allowance measured as per simplified approach	
Impairment allowance as on 1 April 2017	**1,744.84**
Add/ (less): asset originated or acquired (net)	580.32
Impairment allowance as on 31 March 2018	**2,325.16**
Add/ (less): asset originated or acquired (net)	(114.28)
Impairment allowance as on 31 March 2019	**2,210.88**

(Currency: Indian rupees in millions)

13. Loans

Loans	31 March 2019			31 March 2018			1 April 2017		
	at amortised cost	at FVTPL	Total	at amortised cost	at FVTPL	Total	at amortised cost	at FVTPL	Total
Term Loans									
Corporate and Retail Credit	**3,61,815.94**	**5,896.70**	**3,67,712.64**	3,71,554.88	3,366.42	3,74,921.30	2,60,935.78	2,053.80	2,62,989.58
Distressed Credit	**25,982.20**	**-**	**25,982.20**	17,422.01	-	17,422.01	11,444.28	-	11,444.28
Other Credit	**193.43**	**-**	**193.43**	44.18	-	44.18	21.29	-	21.29
Total Gross (A)	**3,87,991.57**	**5,896.70**	**3,93,888.27**	3,89,021.07	3,366.42	3,92,387.49	2,72,401.35	2,053.80	2,74,455.15
Less: Impairment loss allowance	**9,805.17**	**-**	**9,805.17**	7,996.83	-	7,996.83	5,873.56	-	5,873.56
Total (Net) (A)	**3,78,186.40**	**5,896.70**	**3,84,083.10**	3,81,024.24	3,366.42	3,84,390.66	2,66,527.79	2,053.80	2,68,581.59
Secured by tangible assets (Property including land, building and project receivables)	**2,63,485.72**	**5,896.70**	**2,69,382.42**	2,31,956.65	3,366.42	2,35,323.07	1,43,788.52	2,053.80	1,45,842.32
Secured by Inventories, fixed deposits and other marketable securities	**84,559.53**	**-**	**84,559.53**	1,06,092.81	-	1,06,092.81	76,853.54	-	76,853.54
Unsecured	**39,946.32**	**-**	**39,946.32**	50,971.61	-	50,971.61	51,759.29	-	51,759.29
Total Gross (B)	**3,87,991.57**	**5,896.70**	**3,93,888.27**	3,89,021.07	3,366.42	3,92,387.49	2,72,401.35	2,053.80	2,74,455.15
Less: Impairment loss allowance	**9,805.17**	**-**	**9,805.17**	7,996.83	-	7,996.83	5,873.56	-	5,873.56
Total (Net) (B)	**3,78,186.40**	**5,896.70**	**3,84,083.10**	3,81,024.24	3,366.42	3,84,390.66	2,66,527.79	2,053.80	2,68,581.59
Loans in India									
Public sector	**-**	**-**	**-**	-	-	-	-	-	-
Others	**3,87,991.57**	**5,896.70**	**3,93,888.27**	3,89,021.07	3,366.42	3,92,387.49	2,72,401.35	2,053.80	2,74,455.15
Total Gross (C)	**3,87,991.57**	**5,896.70**	**3,93,888.27**	3,89,021.07	3,366.42	3,92,387.49	2,72,401.35	2,053.80	2,74,455.15
Less: Impairment loss allowance	**9,805.17**	**-**	**9,805.17**	7,996.83	-	7,996.83	5,873.56	-	5,873.56
Total (Net) (C) (I)	**3,78,186.40**	**5,896.70**	**3,84,083.10**	3,81,024.24	3,366.42	3,84,390.66	2,66,527.79	2,053.80	2,68,581.59
Loans outside India	**-**	**-**	**-**	-	-	-	-	-	-
Less: Impairment loss allowance	**-**	**-**	**-**	-	-	-	-	-	-
Total (Net) (C) (II)	**-**	**-**	**-**	-	-	-	-	-	-
Total (C) (I) and (C) (II)	**3,78,186.40**	**5,896.70**	**3,84,083.10**	3,81,024.24	3,366.42	3,84,390.66	2,66,527.79	2,053.80	2,68,581.59

Note: For details of loans given to Directors refer note 51.

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

13.1. Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 56.7 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7

Loans at amortised cost

Particulars	31 March 2019				31 March 2018				1 April 2017			
	Stage I	Stage II	Stage III[1]	Total	Stage I	Stage II	Stage III[1]	Total	Stage I	Stage II	Stage III[1]	Total
Performing												
High grade	**3,12,340.85**	**-**	**-**	**3,12,340.85**	3,36,961.56	-	-	3,36,961.56	2,26,630.95	-	-	2,26,630.95
Standard grade	**-**	**39,831.24**	**-**	**39,831.24**	-	29,059.83	-	29,059.83	-	29,011.81	-	29,011.81
Non-performing	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-	-
Impaired	**-**	**-**	**12,484.26**	**12,484.26**	-	-	8,268.94	8,268.94	-	-	5,814.71	5,814.71
Total	**3,12,340.85**	**39,831.24**	**12,484.26**	**3,64,656.35**	3,36,961.56	29,059.83	8,268.94	3,74,290.33	2,26,630.95	29,011.81	5,814.71	2,61,457.47

Purchased or originated credit-impaired (POCI) Loans:

POCI[3]	31 March 2019	31 March 2018	1 April 2017
Particulars	**Stage III**	Stage III	Stage III
Performing			
High grade			
Standard grade			
Non-performing			
Impaired	**23,335.22**	14,730.74	10,943.88
Total	**23,335.22**	14,730.74	10,943.88

Gross carrying amount and corresponding ECL reconciliation – Loans

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[1]	Allowance for ECL[2]	Gross carrying amount	Allowance for ECL
Balance at 1 April 2017	2,26,630.95	1,687.37	29,011.81	996.78	5,814.71	3,189.41	2,61,457.47	5,873.56
Transfers:								
Transfers to 12 Month ECL (Stage 1)	624.64	173.16	(439.7)	(22.56)	(184.94)	(150.60)	-	-
Transfers to lifetime ECL (Stage 2)	(4,732.66)	(148.30)	4,811.89	155.72	(79.23)	(7.42)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(7,581.91)	(240.29)	(1,887.60)	(61.92)	9,469.50	302.21	-	-
Net re-measurement of ECL arising from transfer of stage	-	(169.13)	-	111.91	-	2,134.77	-	2,077.55
Net new and further lending/ (repayments) (including write-off)	1,22,020.54	1,244.88	(2,436.57)	56.07	(6,751.10)	(1,255.23)	1,12,832.86	45.72
Balance at 31 March 2018	**3,36,961.56**	**2,547.69**	**29,059.83**	**1,236.00**	**8,268.94**	**4,213.14**	**3,74,290.33**	**7,996.83**

(Currency: Indian rupees in millions)

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[1]	Allowance for ECL[2]	Gross carrying amount	Allowance for ECL
Balance at 01 April 2018	3,36,961.56	2,547.69	29,059.83	1,236.00	8,268.95	4,213.14	**3,74,290.33**	**7,996.83**
Effect of acquisitions made during the year	15.33	0.05	-	-	400.00	120.00	**415.33**	**120.05**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	1,603.10	45.57	(1,573.18)	(38.25)	(29.92)	(7.31)	-	-
Transfers to lifetime ECL (Stage 2)	(22,341.60)	(176.71)	24,197.49	1,240.26	(1,855.89)	(1,063.55)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(7,168.05)	(154.40)	(5,832.55)	(343.87)	13,000.59	498.28	(0.01)	-
Net re-measurement of ECL arising from transfer of stage	-	(98.07)	-	(623.56)	-	1,385.20	-	663.57
Net new and further lending/ (repayments) (including write-off)	3,270.51	548.44	(6,020.35)	81.63	(7,299.47)	394.63	(10,049.30)	1,024.72
Balance at 31 March 2019	3,12,340.85	2,712.57	39,831.24	1,552.21	12,484.26	5,540.39	3,64,656.35	9,805.17

Gross carrying amount and corresponding ECL reconciliation – Loans *(Continued)*

POCI[3]	2018-19	2017-18
Opening balance	**14,730.74**	10,943.88
Transfers:	-	-
Transfers to 12 Month ECL (Stage 1)	-	-
Transfers to lifetime ECL (Stage 2)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-
Net re-measurement of ECL arising from transfer of stage	-	-
Net new and further lending/ (repayments)	**8,604.48**	3,786.86
Closing balance	**23,335.22**	14,730.74

1. This also includes stage III assets in EARC on distressed assets book, interest accrued on non-performing assets and stage III assets held by Group entities other than NBFCs on trade and general purpose advances
2. Allowance under this category also includes provision on assets as mentioned in note 1 above
3. POCI loans represent our and third parties economic interest in securities receipts issued by certain ARC trusts that are now getting consolidated as per Ind AS (However, our share of such loans was included under the head " investment in securities receipts" under Indian GAAP). They are classified as POCI loans as these are already non-performing assets (impaired) at the time of acquisition itself and acquired under haircut from various financial institutions like banks, NBFCs etc by ARC whose very nature of business is to engage in acquiring such non-performing assets and resolving them through appropriate resolution strategies. Income and ECL on POCI loans are part of Net gain on fair value changes.

(Currency: Indian rupees in millions)

14. Investments

31 March 2019	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Total
Security Receipts	-	-	53,121.56	-	53,121.56
Government Securities	15.63	9,976.13	609.67	4,053.74	14,655.17
Equity Shares	-	-	7,409.02	-	7,409.02
Debt securities	554.17	2,800.21	2,046.81	1,279.52	6,680.71
AIF Fund	-	13.97	2,943.39	-	2,957.36
Mutual Fund	-	-	1,755.95	-	1,755.95
Preference Shares	-	36.19	1,368.14	27.87	1,432.20
Total	569.80	12,826.50	69,254.54	5,361.13	88,011.97
Investments in India	569.80	12,674.69	69,254.54	5,361.13	87,860.16
Investments outside India	-	151.81	-	-	151.81
Total	569.80	12,826.50	69,254.54	5,361.13	88,011.97
Less - Impairment Loss allowance	-	21.50	-	-	21.50
Total	569.80	12,805.00	69,254.54	5,361.13	87,990.47

31 March 2018	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Total
Security Receipts	-	-	45,421.41	-	45,421.41
Government Securities	-	6,032.07	552.08	2,025.06	8,609.21
Equity Shares	-	-	6,152.43	-	6,152.43
Debt securities	927.98	8,564.55	1,973.68	1,303.95	12,770.16
AIF Fund	-	14.39	1,694.88	-	1,709.27
Mutual Fund	-	-	2,713.92	256.40	2,970.32
Preference Shares	9.00	101.58	1,090.81	37.31	1,238.70
Total	**936.98**	**14,712.59**	**59,599.21**	**3,622.72**	**78,871.50**
Investments in India	936.98	10,535.79	59,599.21	3,622.72	74,694.70
Investments outside India	-	4,176.80	-	-	4,176.80
Total	**936.98**	**14,712.59**	**59,599.21**	**3,622.72**	**78,871.50**
Less - Impairment Loss allowance	-	0.09	-	-	0.09
Total	**936.98**	**14,712.50**	**59,599.21**	**3,622.72**	**78,871.41**

1 April 2017	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Total
Security Receipts	-	-	37,926.67	-	37,926.67
Government Securities	-	3,474.00	-	1,508.56	4,982.56
Equity Shares	-	-	5,601.01	-	5,601.01
Debt securities	494.03	3,669.24	1,559.26	497.90	6,220.43
AIF Fund	-	14.30	981.58	-	995.88
Mutual Fund	-	-	1,634.53	-	1,634.53
Preference Shares	132.90	72.16	573.03	15.11	793.20
Total	**626.93**	**7,229.70**	**48,276.08**	**2,021.57**	**58,154.28**
Investments in India	626.93	4,979.59	48,224.62	2,021.57	55,852.71
Investments outside India	-	2,250.11	51.46	-	2,301.57
Total	**626.93**	**7,229.70**	**48,276.08**	**2,021.57**	**58,154.28**
Less - Impairment Loss allowance	-	-	-	-	-
Total	**626.93**	**7,229.70**	**48,276.08**	**2,021.57**	**58,154.28**

Note: Investments pledged with bank, exchange, brokers and against NCDs issued is amounting to ₹ 26,961.88 millions (previous year ₹ 25,479.71 millions)

(Currency: Indian rupees in millions)

14.1 Investment by CDPQ in ECLF

Pursuant to Securities Subscription Agreement dated 5 March 2019 amongst ECL Finance Limited ("ECLF"), Edelweiss Financial Services Limited ("the Company"), Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US$ 250 million, amounting to approximately INR 18,000 million into ECLF, the Investor has subscribed to 1000 Equity shares of INR 1 each at premium of INR 31 per Equity Share of ECLF and 103,949,680 Compulsorily Convertible Debentures (CCDs) at INR 100 per CCD of ECLF and accordingly paid ECLF a total sum of INR 10,395 million on 7 May 2019, towards first tranche.

14.2 Investments measured at FVOCI

Credit quality of assets

The table below shows the gross carrying amount of the Group's investments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 56.7 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7

	31 March 2019	31 March 2018	1 April 2017
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
High grade	**12,997.33**	15,849.20	7,717.93
Standard grade	**707.43**	-	-
Individually impaired	**-**	-	-
Total[1]	**13,704.76**	15,849.20	7,717.93

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

	2018-19	**2018-19**	2017-18	2017-18
	Gross Carrying Amount (Stage 1)	**12 months ECL allowance (Stage 1)**	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)
Gross carrying amount - opening balance	**15,849.20**	**0.09**	7,717.93	-
New assets originated or purchased	**29,110.97**	**21.41**	29,794.63	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	**(32,248.11)**	**-**	(22,451.33)	-
Interest income during the period	**902.24**	**-**	783.30	-
Foreign Exchange	**90.46**	**-**	4.67	-
Transfer to Stage 1	**-**	**-**	-	0.09
Transfer to Stage 2	**-**	**-**	-	-
Transfer to Stage 3	**-**	**-**	-	-
Gross carrying amount - closing balance	**13,704.76**	**21.50**	15,849.20	0.09

[1] These amounts represent Gross carrying amounts before ECL allowance (i.e. cost plus interest accrued). These investments are presented at fair value in the balance sheet. Difference between amount presented in the balance sheet and above table is the fair value which is ₹ (878.26) million as on March 31, 2019, (As on March 31, 2018 the amount is ₹ (1,136.61) millions and as on April 1, 2017 the amount is ₹ (488.23) millions.)

(Currency: Indian rupees in millions)

14.3. Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7

	31 March 2019	31 March 2018	1 April 2017
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
High grade	**569.80**	936.98	626.93
Standard grade	**-**	-	-
Individually impaired	**-**	-	-
Total	**569.80**	936.98	626.93

Reconciliation of gross carrying amount for investments measured at amortised cost

	2018-19	2017-18
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
Gross carrying amount - opening balance	**936.98**	626.93
New assets originated or purchased	**122,142.83**	161,478.77
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	**(122,510.01)**	(1,61,168.72)
Changes to contractual cash flows due to modifications not resulting in derecognition	**-**	-
Amounts written off	**-**	-
Transfer to Stage 1 (refer instruction above)	**-**	-
Transfer to Stage 2 (refer instruction above)	**-**	-
Transfer to Stage 3 (refer instruction above)	**-**	-
Gross carrying amount - closing balance	**569.80**	936.98

Investments classified at amortised cost are secured short-term in nature with less than 7 days maturity. The Group has not encounter any historical default on such receivables, hence ECL is nil. The above amount also includes investment in Sovereign Bonds against which the Group has not recognised any ECL allowance since, there is an insignificant risk of credit and no historical default.

15. Other financial assets

	March 31, 2019	March 31, 2018	April 01, 2017
Collateralised Borrowing and Lending Obligation - lending	**3,900.00**	-	-
Receivable towards margin trading facility	**1,961.15**	1,608.84	-
Receivable from exchange / clearing house (net)	**1,889.96**	4,407.99	3,419.89
Deposits placed with/ for exchange/ depositories	**401.50**	357.70	352.17
Margin placed with broker	**290.36**	2,506.48	3,367.72
Rental deposits	**464.53**	343.98	193.17
Deposits- others	**207.70**	157.61	150.16
Reinsurance receivables	**66.33**	26.52	2.20
Unclaimed amount of policyholders	**25.59**	13.68	18.18
Others	**791.39**	382.34	841.36
Total	**9,998.51**	9,805.14	8,344.85

(Currency: Indian rupees in millions)

16. Inventories

	31 March 2019	31 March 2018	1 April 2017
Inventories[1]			
Stock in trade commodities	**1,691.32**	1,429.06	2,687.50
	1,691.32	1,429.06	2,687.50

[1] The above are agriculture commodity inventory as on 31 March 2019. Agriculture commodities and bullion as on 31 March 2018 and 1 April 2017. Refer note 23 for charge on inventories.

17. Deferred tax assets and liabilities

Deferred tax assets (net)	**31 March 2019**	31 March 2018	1 April 2017
Provision for expected credit losses	**3,059.46**	3,104.70	2,649.15
Unused tax losses / credits	**2,402.27**	1,175.53	1,145.29
Employee benefits obligations	**85.17**	250.97	344.51
ESOP Perquisite	**-**	1,468.64	1,324.83
Fair valuation of Financial Assets	**(4.30)**	225.17	(102.68)
Fair valuation of Derivatives	**(19.32)**	(22.52)	(137.67)
Property, Plant and Equipment and Intangible assets	**(66.43)**	(121.80)	(136.81)
Adjustment of effective interest rate on Borrowings	**(550.98)**	(130.39)	(158.01)
Total	**4,905.87**	5,950.30	4,928.61

Deferred tax liabilities (net)	**31 March 2019**	31 March 2018	1 April 2017
Fair valuation of Financial Assets	**2,459.66**	760.47	293.10
Adjustment of effective interest rate on Loans	**174.39**	971.15	766.56
Adjustment of effective interest rate on Borrowings	**35.32**	-	-
Property, Plant and Equipment and Intangible assets	**0.66**	46.30	2.31
Fair valuation of Derivatives	**-**	46.05	44.67
ESOP Perquisite	**(4.80)**	(4.80)	(4.61)
Employee benefits obligations	**(6.64)**	(2.80)	(3.24)
Unused tax losses / credits	**(125.89)**	(152.45)	(12.18)
Total	**2,532.70**	1,663.92	1,086.61

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

18. Investment property

The Group has elected to continue with the carrying value of all of its recognised investment property as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

	Gross Block				Depreciation and impairment				Net Block
	As at 1 April 2018	Additions during the year	Deductions/ adjustments during the year	**As at 31 March 2019**	As at 1 April 2018	Impairment charge / (reversals) for the year	Charge for the year	**As at 31 March 2019**	**As at 31 March 2019**
Investment Property									
Land	228.35	-	-	**228.35**	-	-	-	**-**	**228.35**
Real Estate	1,563.71	1,390.12	-	**2,953.83**	19.27	-	18.40	**37.67**	**2,916.16**
Total	1,792.06	1,390.12	-	**3,182.18**	19.27	-	18.40	**37.67**	**3,144.51**

	Gross Block				Depreciation and impairment				Net Block
	As at 1 April 2017	Additions during the year	Deductions/ adjustments during the year	**As at 31 March 2018**	As at 1 April 2017	Impairment charge / (reversals) for the year	Charge for the year	**As at 31 March 2018**	**As at 31 March 2018**
Investment Property									
Land	228.35	-	-	228.35	-	-	-	-	228.35
Real Estate	3,259.54	-	1,695.83	1,563.71	-	-	19.27	19.27	1,544.44
Total	3,487.89	-	1,695.83	1,792.06	-	-	19.27	19.27	1,772.79

Fair value of investment properties

Property	**Mar-19**	Mar-18	Mar-17
Land	**293.36**	293.36	293.36
Real estate property	**3,755.37**	1,942.37	3,698.07
Total	**4,048.73**	2,235.73	3,991.43

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

19. Property, plant and equipment and intangibles

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Particulars	Gross Block				Depreciation and amortisation			Net Block	
	As at 1 April 2018	Additions during the year	Deductions/ adjustments during the year	**As at 31 March 2019**	As at 1 April 2018	Charge for the year	Deductions/ adjustments during the year	**As at 31 March 2019**	**As at 31 March 2019**
a) Property, Plant and Equipments									
Land	236.79	-	-	**236.79**	-	-	-	**-**	**236.79**
Leasehold Land	43.14	-	-	**43.14**	0.70	-	-	**0.70**	**42.44**
Flat and Building	4,613.90	-	-	**4,613.90**	239.28	238.41	-	**477.69**	**4,136.21**
Leasehold Premises	202.28	113.62	27.21	**288.69**	43.10	61.52	25.83	**78.79**	**209.90**
Plant and Equipment	8.67	0.32	-	**8.99**	1.87	1.40	-	**3.27**	**5.72**
Furniture and Fixtures	232.88	36.73	4.00	**265.61**	42.95	59.30	2.84	**99.41**	**166.20**
Vehicles	153.14	9.83	74.72	**88.25**	51.40	31.40	51.20	**31.60**	**56.65**
Office equipment	252.07	94.95	8.19	**338.83**	92.69	100.99	8.02	**185.66**	**153.17**
Vessel (Boat)	1.07	-	-	**1.07**	0.22	0.18	-	**0.40**	**0.67**
Computers	684.15	367.39	52.29	**999.25**	238.92	359.59	18.67	**579.84**	**419.41**
Solar Power Equipment	62.07	-	-	**62.07**	11.37	-	-	**11.37**	**50.70**
Total (A)	6,490.16	622.84	166.41	**6,946.59**	722.50	852.79	106.56	**1,468.73**	**5,477.86**
b) Intangibles									
Software	1,094.54	1,780.95	579.28	**2,296.21**	231.45	445.14	57.27	**619.32**	**1,676.89**
Trademark/ Design and Copyright	668.42	-	-	**668.42**	62.73	-	-	**62.73**	**605.69**
Total (B)	1,762.96	1,780.95	579.28	**2,964.63**	294.18	445.14	57.27	682.05	2,282.58
Total (A+B)	8,253.12	2,403.79	745.69	**9,911.22**	1,016.68	1,297.93	163.83	**2,150.78**	**7,760.44**

Property, plant and equipment aggregating to ₹ 1.42 millions (previous year ₹ 1.49 millions) pledged against secured NCDs.

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

19. Property, plant and equipment and intangibles *(Continued)*

	Gross Block				Depreciation and amortisation				Net Block
	As at 1 April 2017	Additions during the year	Deductions/ adjustments during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2018	As at 31 March 2018
a) Property, Plant and Equipments									
Land	236.79	-	-	236.79	-	-	-	-	236.79
Leasehold Land	43.14	-	-	43.14	-	0.70	-	0.70	42.44
Flat and Building	4,068.01	545.89	-	4,613.90	-	239.28	-	239.28	4,374.62
Leasehold Premises	101.37	101.87	0.96	202.28	-	43.10	-	43.10	159.18
Plant and Equipment	8.58	0.21	0.12	8.67	-	1.87	-	1.87	6.80
Furniture and Fixtures	109.05	124.45	0.62	232.88	-	42.95	-	42.95	189.93
Vehicles	159.49	40.14	46.49	153.14	-	51.40	-	51.40	101.74
Office equipment	149.06	105.90	2.89	252.07	-	92.69	-	92.69	159.38
Vessel (Boat)	1.07	-	-	1.07	-	0.22	-	0.22	0.85
Computers	361.80	345.14	22.79	684.15	-	238.92	-	238.92	445.23
Solar Power Equipment	62.07	-	-	62.07	-	11.37	-	11.37	50.70
Total (A)	5,300.43	1,263.60	73.87	6,490.16	-	722.50	-	722.50	5,767.66
b) Intangibles									
Software	434.11	712.11	51.68	1,094.54	-	231.45	-	231.45	863.09
Trademark/ Design and Copyright	668.61	-	0.19	668.42	-	62.73	-	62.73	605.69
Total (B)	1,102.72	712.11	51.87	1,762.96	-	294.18	-	294.18	1,468.78
Total (A+B)	6,403.15	1,975.71	125.74	8,253.12	-	1,016.68	-	1,016.68	7,236.44

(Currency: Indian rupees in millions)

19.1. Goodwill

Particulars	2019	2018
Balance at the beginning of the year	**1,543.85**	1,521.71
Goodwill arising on aquisations	**198.87**	22.14
Goodwill derecognised on loss of control	**-**	-
Balance at the end of year	**1,742.72**	1,543.85

19.2. Goodwill impairment assessment

Goodwill acquired through business combinations has been allocated to following cash–generating unit (CGU), for impairment testing, as follows:

A. Impairment testing of goodwill in Broking and distribution business:

Particulars	31 March 2019	31 March 2018	1 April 2017
Goodwill	**1,020.21**	1,020.21	1,020.21
Carrying value of CGU (including Goodwill)	**3,111.27**	2,507.56	1,979.08
Recoverable amount of CGU	**4,691.59**	4,691.59	4,691.59

Key assumptions in computing value in use:

Particulars	31 March 2019	31 March 2018	1 April 2017
Discount rate	**12%**	12%	12%
Total expected cash-flows for 5 years	**6,917.04**	6,917.04	6,917.04

The calculation of value in use is most sensitive to expected cash-flows and discount rate.

Key assumptions	Basis of key assumptions and associated risk	Reasonably assumed possible change
Discount rates	Discount rates reflect the current market assessment of the risk associated.	Increase/ decrease by 100 basis points
Expected cash-flows	Based on the projected cash-flows and expected increase in profit in the coming years.	Increase/ decrease by 500 basis points

Sensitivity to changes in assumptions

Management performed a sensitivity analysis to assess impact of reasonable changes to key assumptions on statement of profit and loss keeping other assumptions constant that could cause the carrying value of the CGU to exceed its recoverable amount. These are summarised in the table below, which shows the details of the sensitivity of the above measures on the CGU's value in use (VIU):

As at 31 March 2019

Goodwill	VIU	Discount rate				Expected cash-flows			
INR million	INR million	Change bps	Impact INR million	Change bps	Impact INR million	Change bps	Impact INR million	Change bps	Impact INR million
1,020.21	4,691.59	100	(136.37)	(100)	142.42	500	234.58	(500)	(234.58)

As at 31 March 2018

Goodwill	VIU	Discount rate				Expected cash-flows			
Amount INR million	Amount INR million	Change bps	Impact INR million	Change bps	Impact INR million	Change bps	Impact INR million	Change bps	Impact INR million
1,020.21	4,691.59	100	(136.37)	(100)	142.42	500	234.58	(500)	(234.58)

(Currency: Indian rupees in millions)

B. Impairment testing of goodwill in Edelweiss House property

Particulars	31 March 2019	31 March 2018	1 April 2017
Goodwill	**432.94**	432.94	432.94
Carrying amount of CGU (including goodwill)	**3,687.94**	3,676.53	3,837.29
Recoverable amount	**7,138.35**	7,138.35	7,138.35

Fair value less cost of disposal is taken as the recoverable amount and compared with the carrying amount for impairment testing.

Key assumptions in computing recoverable amount:

Particulars	31 March 2019	31 March 2018	1 April 2017
Fair value of property (per sq. feet)	**40,279**	40,279	40,279

Basis of fair valuation:

Total carpet area of building (sq. feet)	186,550
Fair value of property (INR per sq. feet)	40,279
Total Fair value (in million)	7,514.05
Less: Cost of disposal	375.70
Fair value less cost of disposal	**7,138.35**

The above fair value falls within level 3 of the fair value hierarchy.

Note: Balance goodwill recognised in the financial statements are from various legal entities and are not material.

20. Other non-financial assets

	31 March 2019	31 March 2018	1 April 2017
Input tax credit	**1,564.50**	1,095.99	596.80
Prepaid expenses	**902.49**	645.77	393.97
Vendor Advances	**512.38**	652.65	389.59
Capital Advances	**87.87**	295.09	518.61
Advances to employees	**30.18**	56.04	23.36
Deposits - others	**8.71**	210.36	9.93
Other assets	**190.82**	634.61	287.10
	3,296.95	3,590.51	2,219.36

21.1 Trade Payables includes ₹ 4.10 million (as at 31 March 2018 ₹ 2.90 million, as at 1 April 2017 ₹ 1.50 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Group during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

21.2 Trade payables

	31 March 2019	31 March 2018	1 April 2017
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,748.73	15,911.73	20,642.58
Total	**19,748.73**	15,911.73	20,642.58

(Currency: Indian rupees in millions)

22. Debt securities

	31 March 2019	31 March 2018	1 April 2017
Non-Convertible Debentures (at amortised cost)	**2,15,572.04**	1,71,990.96	1,27,775.17
Non-Convertible Debentures (designated at fair value through profit or loss)	**14,212.19**	7,200.80	1,704.39
INR denominated USD settled notes (Masala Bonds) (at amortised cost)	**5,197.22**	5,174.33	5,154.70
Commercial paper (at amortised cost)	**10,929.03**	65,019.39	85,064.49
Total (refer Note 1 below)	**2,45,910.48**	2,49,385.48	2,19,698.75
(i) Debt securities in India	**2,40,713.26**	2,44,211.15	2,14,544.05
(ii) Debt securities outside India	**5,197.22**	5,174.33	5,154.70
Total	**2,45,910.48**	2,49,385.48	2,19,698.75

Note 1:

Out of the above, INR 14,824.90 million as at 31 March 2019, INR 67,970.12 million as at 31 March 2018 and INR 94,288.83 million as at 1 April 2017 are unsecured. For secured debt, the Group has provided collateral in the nature of Pari Passu charge of immovable property, receivable from financing business, securities held for trading, property (excluding intangible assets) and hypothecation of security receipts.

Debt Securities - as at 31 March 2019

Maturities	**<1 years**	**1-3 years**	**> 3 years**	**Total**
Rate of Interest				
7.00 - 7.99%	650.00	10,840.00	1,353.96	12,843.96
8.00 - 8.99%	11,955.25	9,033.96	10,293.55	31,282.76
9.00 - 9.99%	24,417.31	32,258.30	22,497.78	79,173.39
10.00 - 10.99%	7,506.69	15,725.35	12,258.36	35,490.40
11.00 - 11.99%	4,641.42	-	-	4,641.42
Zero Coupon Debentures	51.85	917.96	56.34	1,026.15
Various (benchmark linked)	26,022.92	24,502.58	22,452.66	72,978.16
Accrued Interest and EIR	-	-	-	8,474.24
Total	**75,245.44**	**93,278.15**	**68,912.65**	**2,45,910.48**

Debt Securities - as at 31 March 2018

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
7.00 - 7.99%	28,828.41	50.00	-	28,878.41
8.00 - 8.99%	35,697.78	35,663.02	13,793.55	85,154.35
9.00 - 9.99%	7,695.00	23,223.37	27,207.95	58,126.32
10.00 - 10.99%	3,913.93	13,850.26	4,326.95	22,091.14
11.00 - 11.99%	1,752.66	513.15	-	2,265.81
Zero Coupon Debentures	-	536.24	484.66	1,020.90
Various (benchmark linked)	15,315.38	16,739.66	12,624.83	44,679.87
Accrued Interest and EIR	-	-	-	7,168.68
Total	93,203.16	90,575.70	58,437.94	2,49,385.48

(Currency: Indian rupees in millions)

22. Debt securities *(Continued)*

Debt Securities - as at 1 April 2017

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	70,879.00	-	-	70,879.00
8.00 - 8.99%	14,039.08	10,037.00	6,537.00	30,613.08
9.00 - 9.99%	5,462.27	15,469.44	18,917.00	39,848.71
10.00 - 10.99%	4,227.50	25,200.79	6,647.63	36,075.92
11.00 - 11.99%	400.00	2,262.33	-	2,662.33
Zero Coupon Debentures	541.66	49.62	101.66	692.94
Various (benchmark linked)	10,913.93	14,303.13	5,789.43	31,006.49
Accrued Interest and EIR	-	-	-	7,920.28
Total	1,06,463.44	67,322.31	37,992.72	2,19,698.75

23. Borrowings (other than debt securities) at amortised cost

	31 March 2019	31 March 2018	1 April 2017
Secured			
Term loans			
(Secured against investments in debt securities and stock-in-trade and charge on receivables of financing business, inventories and corporate guarantee)			
from banks	**1,16,672.94**	1,23,087.46	75,747.67
from other parties	**13,351.07**	10,137.26	3,211.35
Bank overdraft	**26,002.15**	21,697.22	6,861.43
(Secured by pledge of fixed deposits, property, trade receivables and charge on receivables of financing business)			
Collateralised borrowing and lending obligation and Clearcorp repo order matching system (Secured by pledge of Government Securities)	**20,159.93**	32,699.02	17,976.83
Working capital demand loan (secured by charge on receivables from financing business, inventories and fixed deposits)	**2,900.00**	4,370.00	3,100.00
Loans repayable on demand			
from banks		2,715.09	6,064.16
from other parties	**-**	2,337.06	247.57
Letter of credit discounted	**-**	-	58.60
Unsecured			
Term loans			
from banks	**14,003.84**	10,002.38	-
from other parties	**-**	-	-
Loans repayable on demand			
from banks	**1,262.68**	401.22	1,304.63
from other parties	**-**	6,448.62	-
	1,94,352.61	2,13,895.33	1,14,572.24
Borrowings in india	**1,94,352.61**	2,11,335.00	1,12,937.65
Borrowings outside india	**-**	2,560.33	1,634.59
Total	**1,94,352.61**	2,13,895.33	1,14,572.24

(Currency: Indian rupees in millions)

23. Borrowings (other than debt securities) at amortised cost *(Continued)*

Following is the repayment terms of term loans:

Term loans from Banks - Secured as at 31 March 2019

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	-	-	-	-
8.00 - 8.99%	4,647.74	4,922.25	1,884.13	11,454.12
9.00 - 9.99%	24,496.16	39,059.11	8,326.50	71,881.77
10.00 - 10.99%	7,372.22	13,760.95	7,087.49	28,220.66
11.00 - 11.99%	1,462.50	2,800.00	700.00	4,962.50
12.00 - 12.99%	39.96	-	-	39.96
Accrued Interest and EIR	-	-	-	113.93
Total	**38,018.58**	**60,542.31**	**17,998.12**	**1,16,672.94**

Term loans from Banks - Secured as at 31 March 2018

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	-	-	-	-
8.00 - 8.99%	25,736.48	60,318.13	30,720.53	1,16,775.14
9.00 - 9.99%	2,100.93	2,961.47	210.00	5,272.40
10.00 - 10.99%	-	-	-	-
11.00 - 11.99%	500.00	62.50	-	562.50
12.00 - 12.99%	450.19	-	-	450.19
Accrued Interest and EIR	-	-	-	27.23
Total	28,787.60	63,342.10	30,930.53	1,23,087.46

Term loans from Banks - Secured as at 1 April 2017

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	-	-	-	-
8.00 - 8.99%	3,717.34	8,198.96	4,237.95	16,154.25
9.00 - 9.99%	8,427.75	20,940.10	15,846.31	45,214.16
10.00 - 10.99%	4,833.36	5,947.81	453.13	11,234.30
11.00 - 11.99%	187.50	312.50	2,000.00	2,500.00
12.00 - 12.99%	599.07	-	-	599.07
Accrued Interest and EIR	-	-	-	45.89
Total	17,765.02	35,399.37	22,537.39	75,747.67

Term loans from Others - Secured as at 31 March 2019

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
6.00 - 6.99%	-	-	-	-
7.00 - 7.99%	164.84	329.68	556.25	1,050.77
8.00 - 8.99%	95.36	190.72	569.32	855.40
9.00 - 9.99%	414.64	829.28	1,041.08	2,285.00
10.00 - 10.99%	2,929.61	3,894.61	2,335.68	9,159.90
Accrued Interest and EIR	-	-	-	-
Total	**3,604.45**	**5,244.29**	**4,502.33**	**13,351.07**

(Currency: Indian rupees in millions)

23. Borrowings (other than debt securities) at amortised cost *(Continued)*

Term loans from Others - Secured as at 31 March 2018

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
6.00 - 6.99%	5.80	17.40	22.55	45.75
7.00 - 7.99%	-	-	-	-
8.00 - 8.99%	1,478.57	3,523.62	1,779.32	6,781.51
9.00 - 9.99%	-	1,310.00	-	1,310.00
10.00 - 10.99%	-	-	-	-
11.00 - 11.99%	-	2,000.00	-	2,000.00
Accrued Interest and EIR	-	-	-	-
Total	1,484.37	6,851.02	1,801.87	10,137.26

Term loans from Others - Secured as at 1 April 2017

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	5.80	11.60	34.15	51.55
9.00 - 9.99%	636.52	1,267.78	1,255.50	3,159.80
Accrued Interest and EIR	-	-	-	-
Total	642.32	1,279.38	1,289.65	3,211.35

Term loans from Banks - Unsecured as at 31 March 2019

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	14,003.84	-	-	14,003.84
Accrued Interest and EIR	-	-	-	-
Total	**14,003.84**	**-**	**-**	**14,003.84**

Term loans from Banks - Unsecured as at 31 March 2018

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
8.00 - 8.99%	10,002.38	-	-	10,002.38
Accrued Interest and EIR	-	-	-	-
Total	10,002.38	-	-	10,002.38

24. Deposits (at amortised cost)

	31 March 2019	31 March 2018	1 April 2017
Inter Corporate Deposit - from others	**1,436.76**	3,412.15	553.16
	1,436.76	3,412.15	553.16

25. Subordinated liabilities (at amortised cost)

Unsecured	**31 March 2019**	31 March 2018	1 April 2017
Non-convertible subordinated debt	**18,993.56**	18,264.49	12,237.19
Perpetual debt	**3,731.46**	3,731.90	-
Preference share capital	**951.56**	951.56	951.56
	23,676.58	22,947.95	13,188.75
Subordinated liabilities in india	**23,676.58**	22,947.95	13,188.75
Subordinated liabilities outside india	**-**	-	-
Total	**23,676.58**	22,947.95	13,188.75

(Currency: Indian rupees in millions)

25. Subordinated liabilities (at amortised cost) *(Continued)*

Terms and condition related to subordinate liabilities:

Subordinated Liabilities – 31 March 2019

Maturities	**<1 years**	**1-3 years**	**> 3 years**	**TOTAL**
Rate of Interest				
9.00 - 9.99%	-	-	3,610.00	3,610.00
10.00 - 10.99%	-	-	5,700.00	5,700.00
11.00 - 11.99%	-	4,700.00	4,290.00	8,990.00
14.00 - 14.99%	-	-	850.05	850.05
Various (benchmark linked)	-	-	3,184.10	3,184.10
Accrued Interest and EIR	-	-	-	1,342.43
Total	**-**	**4,700.00**	**17,634.15**	**23,676.58**

Subordinated Liabilities – 31 March 2018

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	-	-	3,610.00	3,610.00
10.00 - 10.99%	-	-	5,700.00	5,700.00
11.00 - 11.99%	-	4,700.00	4,290.00	8,990.00
14.00 - 14.99%	-	-	850.05	850.05
Various (benchmark linked)	-	-	2,894.09	2,894.09
Accrued Interest and EIR	-	-	-	903.81
Total	-	4,700.00	17,344.14	22,947.95

Subordinated Liabilities – 1 April 2017

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	-	-	120.00	120.00
10.00 - 10.99%	-	-	2,700.00	2,700.00
11.00 - 11.99%	-	-	8,990.00	8,990.00
14.00 - 14.99%	-	-	850.05	850.05
Accrued Interest and EIR	-	-	-	528.70
Total	-	-	12,660.05	13,188.75

26. Other financial liabilities (at amortised cost unless otherwise specified)

	31 March 2019	31 March 2018	1 April 2017
Payable to client (net) [1]	**14,486.34**	10,348.66	4,109.37
Payable to exchange / clearing house (net)	**8,514.81**	11.51	907.40
Book overdraft	**3,001.96**	7,267.87	2,612.63
Accrued salaries and benefits	**2,307.70**	3,564.04	2,905.66
Provision for short sale at fair value	**2,150.91**	588.91	882.71
Payable to contractors	**376.07**	484.31	631.30
Reinsurance payable	**166.77**	52.19	11.82
Deposits from sub-brokers	**93.78**	84.92	61.08
Rental deposits	**24.52**	82.56	57.95
Retention money payable	**21.56**	17.50	17.51
Unclaimed dividends	**12.73**	4.86	5.38
Other liabilities	**1,243.86**	334.33	176.05
Total	**32,401.01**	22,841.66	12,378.86

[1] includes deployed in the form of bank balances and fixed deposits amounting to 31 March 2019 ₹ 26,426.41 millions, 31 March 2018 ₹ 17,495.79 millions and 1 April 2017 ₹ 9,914.88 millions

(Currency: Indian rupees in millions)

27. Provisions

	31 March 2019	31 March 2018	1 April 2017
Provision for employee benefits and related costs			
Gratuity	125.45	145.14	91.87
Compensated absences	132.57	97.16	82.03
Deferred bonus	-	590.05	976.93
Others	69.69	71.43	114.23
Total	**327.71**	903.78	1,265.06

28. Other non-financial liabilities

	31 March 2019	31 March 2018	1 April 2017
Security receipts held by outsiders	6,725.97	3,177.55	1,532.01
Income received in advance	1,036.82	213.72	439.28
Statutory dues	969.14	1,542.25	689.22
Advances from customers	379.17	409.67	1,362.03
Proposal deposit from insurance business	320.71	225.18	127.46
Others	559.99	424.60	542.83
Total	**9,991.80**	5,992.97	4,692.83

29. Equity share capital

Authorised :

	31 March 2019	31 March 2018	1 April 2017
1,230,000,000 (31 March 2018: 1,230,000,000) (1 April 2017: 1,230,000,000) Equity Shares of ₹ 1 each	1,230.00	1,230.00	1,230.00
4,000,000 (31 March 2018: 4,000,000) (1 April 2017: 4,000,000) preference shares of ₹ 5 each	20.00	20.00	20.00
	1,250.00	1,250.00	1,250.00

Issued, Subscribed and Paid up:	31 March 2019	31 March 2018	1 April 2017
887,772,784 (31 March 2018: 870,602,147) (1 April 2017: 787,672,309) Equity Shares of ₹ 1 each	887.77	870.60	787.67

	31 March 2019		31 March 2018	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	91,54,98,927	915.50	83,25,69,089	832.57
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	1,71,70,637	17.17	2,83,67,350	28.37
-Under Qualified institutional placement (QIP)	-	-	5,45,62,488	54.56
	93,26,69,564	932.67	91,54,98,927	915.50
Less: Shares held by trusts[1]	4,48,96,780	44.90	4,48,96,780	44.90
Outstanding at the end of the year	88,77,72,784	887.77	87,06,02,147	870.60

[1] Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements and have been accordingly carried forward in consolidated financial statements.

(Currency: Indian rupees in millions)

Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2019		31 March 2018	
	No of shares	**%**	No of shares	%
Rashesh Shah	**14,53,01,730**	**15.58%**	145,301,730	15.87%
Venkatchalam Ramaswamy	**5,80,26,560**	**6.22%**	58,026,560	6.34%

30. Other Equity

	31 March 2019	31 March 2018	1 April 2017
Securities premium account	**29,473.29**	28,559.25	12,070.61
Foreign exchange translation reserve	**175.66**	20.96	(0.64)
Debenture redemption reserve	**10,341.12**	6,539.05	4,536.45
General reserve	**916.82**	916.82	916.82
Retained earnings	**18,215.34**	18,029.34	14,102.94
Statutory reserves u/s 45 IC	**7,503.94**	5,832.24	4,512.90
Statutory reserves u/s 29 C	**537.22**	412.30	271.72
Debt instruments through other comprehensive income	**24.93**	(226.35)	(26.64)
Capital redemption reserve	**166.74**	166.74	166.74
Capital reserve	**8,060.23**	7,215.17	6,777.59
Share application money pending allotment	**6.15**	25.08	40.94
ESOP reserve	**460.59**	472.07	651.01
Total	**75,882.03**	67,962.67	44,020.44

30.1. 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.

30.2. Foreign exchange translation reserve

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

30.3. Debenture redemption reserve

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

30.4. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(Currency: Indian rupees in millions)

30.5. Retained earnings

The same represents portion of the fair value change attributable to the entity's own credit risk in respect of financial liabilities designated at FVTPL that is recognised in OCI, with no recycling

30.6. Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934

Every non-banking financial company shall create a reserve fund and transfer therein 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.

30.8. Statutory reserve u/s 29C of The National Housing Bank Act, 1987

In terms of Section 29C of the National Housing Bank Act, 1987 every housing finance institution which is a company is required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account before any dividend is declared. Housing Finance Companies (HFCs), are permitted to withdraw from the said reserve fund, the excess amount credited (in excess of the statutory minimum of 20%) in the previous years for any business purposes subject to suitable disclosure in the balance sheet and in the case of HFCs which have transferred only the statutory minimum in the previous years to selectively permit them to withdraw from the reserve fund only for the purpose of provisioning for non-performing assets subject to the conditions that there is no debit balance in the profit and loss account and that the reason for such withdrawal are stated explicitly in the balance sheet.

30.8. FVOCI debt investments

The Group recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The Group transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

30.9. Capital redemption reserve

The Group has recognised Capital Redemption Reserve on buy back of equity share capital

30.10.Capital reserve

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

31. **Interest income**

For the year ended 31 March 2019

Particulars	**Amortised cost**	**FVTPL**	**FVOCI**	**Total**
Interest on Loans	**54,916.12**	**-**	**-**	**54,916.12**
Interest income from investments	**688.61**	**6,299.76**	**951.03**	**7,939.40**
Interest on deposits with Banks	**2,262.91**	**-**	**-**	**2,262.91**
Total	**57,867.64**	**6,299.76**	**951.03**	**65,118.43**

For the year ended 31 March 2018

Particulars	**Amortised cost**	**FVTPL**	**FVOCI**	**Total**
Interest on Loans	42,196.74	-	-	**42,196.74**
Interest income from investments	625.10	5,326.96	783.15	**6,735.21**
Interest on deposits with Banks	1,459.97	-	-	**1,459.97**
Total	**44,281.81**	**5,326.96**	**783.15**	**50,391.92**

(Currency: Indian rupees in millions)

32. Fee and commission income

	2018-19	2017-18
Income from broking	**3,516.46**	3,613.58
Advisory and other fees	**17,817.18**	17,770.94
Total	**21,333.64**	**21,384.52**

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

Particulars	2018-19	2017-18
Service transferred at a point in time	**8,582.32**	9,449.09
Service transferred over time	**12,751.32**	11,935.43
Total revenue from contract with customers	**21,333.64**	21,384.52

33. Net gain on fair value changes

	2018-19	2017-18
Net gain /(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Investment at FVTPL	**551.29**	451.74
Derivatives at FVTPL	**3,980.27**	2,831.04
Others		
Investments mandatorily at fair value through profit or loss	**4,246.28**	2,872.15
Others	**461.08**	321.78
Total Net gain/(loss) on fair value changes	**9,238.92**	6,476.71
Fair Value changes:		
Realised	**6,752.23**	9,442.77
Unrealised	**2,486.69**	(2,966.06)
Total	**9,238.92**	6,476.71

34. Other operating revenue

	2018-19	2017-18
Agri value chain warehousing income	**771.61**	**1,022.81**
Delayed payment charges	**312.45**	**581.74**
Income from training centre	**38.73**	**33.87**
Rental income	**13.56**	**94.06**
Total	**1,136.35**	**1,732.48**

35. Other income

	2018-19	2017-18
Donation receipts	**246.80**	97.30
Interest on income tax refund	**262.97**	46.83
Miscellaneous income	**327.36**	327.10
Total	**837.12**	471.23

36. Finance cost (at amortised cost)

	2018-19	2017-18
Interest on deposits	**131.96**	130.50
Interest on borrowings (other than debt securities)	**18,005.21**	12,836.18
Interest on debt securities	**26,127.39**	22,893.04
Interest on subordinated liabilities	**1,717.15**	1,508.64
Other interest expense	**1,202.21**	1,395.02
Total	**47,183.92**	**38,763.38**

(Currency: Indian rupees in millions)

37. Employee benefits expense

	2018-19	2017-18
Salaries and wages	**15,019.60**	12,607.32
Contribution to provident and other funds	**674.34**	513.75
Expense on employee stock option scheme	**225.47**	154.93
Staff welfare expenses	**580.48**	466.26
Total	**16,499.89**	13,742.26

38. Impairment on financial instruments

	2018-19	2017-18
On loans	**4,941.83**	5,676.23
On investments	**21.41**	0.09
On trade receivables	**(114.28)**	580.31
Total	**4,848.96**	6,256.63

39. Other expenses

	2018-19	2017-18
Advertisement and business promotion	**1,505.95**	1,206.45
Auditors' remuneration (Refer note 39(a))	**81.95**	61.27
Commission and brokerage	**1,250.19**	1,157.81
Communication	**489.62**	395.05
Computer software and other expenses	**816.77**	454.97
Commission to non-executive directors	**5.00**	6.80
Contribution towards corporate social responsibility	**344.28**	202.01
Dematerialisation charges and stock exchange expenses	**115.80**	80.50
Directors' sitting fees	**12.99**	13.05
Insurance	**67.02**	62.09
Legal and professional fees	**1,808.91**	585.09
Membership and subscription	**169.19**	164.59
Mutual fund expenses	**81.17**	119.24
Office expenses	**717.00**	1,237.23
Printing and stationery	**204.64**	112.68
Rates and taxes	**904.25**	428.96
Rent and electricity charges	**1,401.99**	1,298.74
Repairs and maintenance - others	**151.65**	101.44
Securities and commodity transaction tax	**489.34**	552.59
Seminar and conference expenses	**149.04**	110.26
Stamp duty	**164.07**	185.06
Travelling and conveyance	**932.78**	765.79
Warehousing charges	**107.30**	159.54
Selling and Distribution expenses	**1,234.22**	970.56
Miscellaneous expenses	**422.33**	87.24
	13,627.45	10,520.75

(Currency: Indian rupees in millions)

39(a) Auditors' remuneration

	2018-19	2017-18
As Auditors	**77.01**	58.09
Towards reimbursement of expenses	**4.94**	3.18
Total	**81.95**	61.27

40. Income Tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2019 and 2018 are:

Particulars	2018-19	2017-18
Current tax	**6,396.13**	5,276.14
Adjustment in respect of current income tax of prior years	**152.53**	129.90
Deferred tax relating to origination and reversal of temporary differences	**512.97**	(366.29)
Deferred tax relating to unused tax losses and unused tax credits (including write-downs) (net)	**(68.22)**	78.82
Total tax expense	**6,993.41**	5,118.57
Total Current Tax	**6,548.66**	5,406.04
Total Deferred Tax	**444.75**	(287.47)

40.1. Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:

Particulars	2018-19	2017-18
Profit before tax	**17,437.10**	13,489.11
Tax rate	**34.944%**	34.608%
Income tax expense calculated based on above tax rate	**6,093.22**	4,668.31
Adjustment in respect of income tax of prior years	**152.53**	123.34
Effect of income not subject to tax	**(1,061.00)**	(959.69)
Effect of non–deductible expenses	**557.36**	233.80
Impact of certain items being taxed at different rates	**(4.09)**	74.55
Impact of tax rate changes between two accounting periods	**4.73**	9.81
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	**(169.42)**	(263.12)
Effect of non-recognition of deferred tax asset on current-period losses	**612.89**	529.43
Different tax rates of subsidiaries	**738.56**	647.94
Others	**68.63**	54.20
Tax expense recognised in profit or loss	**6,993.41**	5,118.57

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

41. Components of deferred tax

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

31 March 2019	**Opening deferred tax asset / (liability)**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Recognised directly in equity**	**Others**	**Total movement**	**Closing deferred tax asset / (liability)**
Provision for expected credit losses	2,133.55	751.52	-	-	-	751.52	2,885.07
Unused tax losses / credits	1,327.98	1,200.18	-	-	-	1,200.18	2,528.16
Employee benefits obligations	253.77	(157.92)	(4.04)	-	-	(161.96)	91.81
ESOP Perquisite	1,473.44	(222.21)	-	(1,246.43)	-	(1,468.64)	4.80
Fair valuation of Financial Assets	(535.30)	(1,928.66)	-	-	-	(1,928.66)	(2,463.96)
Fair valuation of Derivatives	(68.57)	49.25	-	-	-	49.25	(19.32)
Property, Plant and Equipment and Intangible assets	(168.10)	101.01	-	-	-	101.01	(67.09)
EIR adjustment on borrowings	(130.39)	(237.92)	-	-	(217.99)	(455.91)	(586.30)
Total	**4,286.38**	**(444.75)**	**(4.04)**	**(1,246.43)**	**(217.99)**	**(1,913.21)**	**2,373.17**

31 March 2018	Opening deferred tax asset / (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total movement	Closing deferred tax asset / (liability)
Provision for expected credit losses	1,882.59	250.96	-	-	-	250.96	2,133.55
Unused tax losses / credits	1,157.47	170.51	-	-	-	170.51	1,327.98
Employee benefits obligations	347.75	(98.01)	4.03	-	-	(93.98)	253.77
ESOP Perquisite	1,329.44	(39.39)	-	183.39	-	144.00	1,473.44
Fair valuation of Financial Assets	(395.78)	(139.52)	-	-	-	(139.52)	(535.30)
Fair valuation of Derivatives	(182.34)	113.77	-	-	-	113.77	(68.57)
Property, Plant and Equipment and Intangible assets	(139.12)	(28.98)	-	-	-	(28.98)	(168.10)
EIR adjustment on borrowings	(158.01)	58.13	-	-	(30.51)	27.62	(130.39)
Total	**3,842.00**	**287.47**	**4.03**	**183.39**	**(30.51)**	**444.38**	**4,286.38**

(Currency: Indian rupees in millions)

41.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31 March 2019

Financial Year to which the loss relates to	Deductible temporary differences		Unused tax losses							Unused tax credits	
	Amount	Expiry year - financial year	Unabsorbed depreciation		Unabsorbed long-term capital losses		Unabsorbed business losses		Total	MAT Credit	
			Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year
FY 2018-19	55.32	Not applicable	166.31	No expiry	-	-	3,268.58	FY 2026-27	3,434.89	-	-
FY 2018-19	-	-	-	-	-	-	12.55	FY 2023-24	12.55	-	-
FY 2018-19	-	-	-	-	-	-	317.32	No expiry	317.32	-	-
FY 2017-18	84.56	Not applicable	157.59	No expiry	-	-	2,652.24	FY 2025-26	2,809.83	-	-
FY 2017-18	-	-	-	-	-	-	565.68	No expiry	565.68	-	-
FY 2016-17	-	-	11.66	No expiry	-	-	2,381.95	FY 2024-25	2,393.61	-	-
FY 2016-17	-	-	-	-	-	-	390.28	No expiry	390.28	-	-
FY 2015-16	-	-	5.15	No expiry	-	-	1,916.70	FY 2023-24	1,921.85	0.58	FY 2030-31
FY 2014-15	-	-	1.79	No expiry	-	-	682.84	FY 2022-23	684.63	-	-
FY 2013-14	-	-	-	-	2.46	FY 2021-22	651.00	FY 2021-22	653.46	-	-
FY 2012-13	-	-	-	-	4.79	FY 2020-21	650.00	FY 2020-21	654.79	-	-
FY 2011-12	-	-	-	-	-	-	158.00	FY 2019-20	158.00	-	-
Total	**139.88**		**342.50**		**7.25**		**13,647.14**		**13,996.89**	**0.58**	

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

As at 31 March 2018

Financial Year to which the loss relates to	Deductible temporary differences		Unused tax losses							Unused tax credits	
	Amount	Expiry year - financial year	Unabsorbed depreciation		Unabsorbed long-term capital losses		Unabsorbed business losses		Total	MAT Credit	
			Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year
FY 2017-18	84.56	Not applicable	157.59	No expiry	-	-	2,684.15	FY 2025-26	2,841.74	-	-
FY 2017-18	-	-	-	-	-	-	176.90	No expiry	176.90	-	-
FY 2016-17	-	-	93.68	No expiry	-	-	2,658.68	FY 2024-25	2,752.36	-	-
FY 2016-17	-	-	-	-	-	-	97.68	No expiry	97.68	-	-
FY 2015-16	-	-	74.89	No expiry	-	-	1,925.24	FY 2023-24	2,000.13	0.58	FY 2030-31
FY 2014-15	-	-	33.49	No expiry	-	-	682.84	FY 2022-23	716.33	-	-
FY 2013-14	-	-	216.14	No expiry	2.46	FY 2021-22	651.00	FY 2021-22	869.60	-	-
FY 2012-13	-	-	1.87	No expiry	4.79	FY 2020-21	650.00	FY 2020-21	656.66	-	-
FY 2011-12	-	-	0.83	No expiry	-	-	158.00	FY 2019-20	158.83	-	-
FY 2010-11	-	-	2.16	No expiry	-	-	7.40	FY 2018-19	9.56	-	-
Total	**84.56**		**580.65**		**7.25**		**9,691.89**		**10,279.79**	**0.58**	

As at 1 April 2017

Financial Year to which the loss relates to	Deductible temporary differences		Unused tax losses							Unused tax credits	
	Amount	Expiry year - financial year	Unabsorbed depreciation		Unabsorbed long-term capital losses		Unabsorbed business losses		Total	MAT Credit	
			Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year
FY 2016-17	-	-	93.68	No expiry	-	-	2,892.82	FY 2024-25	2,986.50	-	-
FY 2016-17	-	-			-	-	97.68	No expiry	97.68	-	-
FY 2015-16	-	-	8.19	No expiry	-	-	1,954.94	FY 2023-24	1,963.13	0.58	FY 2030-31
FY 2014-15	-	-	10.31	No expiry	-	-	745.83	FY 2022-23	756.14	-	-
FY 2014-15	-	-	-	-	-	-	110.43	FY 2019-20	110.43	-	-
FY 2013-14	-	-	1.74	No expiry	2.46	FY 2021-22	686.71	FY 2021-22	690.91	-	-
FY 2012-13	-	-	1.87	No expiry	4.79	FY 2020-21	661.71	FY 2020-21	668.37	-	-
FY 2012-13	-	-	-	-	-	-	1.67	FY 2017-18	1.67	-	-
FY 2011-12	-	-	0.83	No expiry	-	-	158.00	FY 2019-20	158.83	-	-
FY 2010-11	-	-	2.16	No expiry	-	-	7.40	FY 2018-19	9.56	-	-
Total	**-**	**-**	**118.78**		**7.25**	**-**	**7,317.19**		**7,443.22**	**0.58**	

(Currency: Indian rupees in millions)

The Group has not recognised deferred tax liabilities on taxable temporary differences aggregating ₹ 76,385.13 million as at 31 March 2019 (as at 31 March 2018: ₹ 58,272.34 million, as at 1 April 2017: ₹ 48,697.64 million) associated with investments in subsidiaries and associates since the Group is able to control the timing of the reversal of these differences and it is probable that these differences will not reverse in the foreseeable future.

42. Earnings per share (EPS)

	2018-19	2017-18
Profit for the year attributable to owners of the parent	**9,951.66**	**8,631.83**
Weighted average number of equity shares for calculating basic EPS	**882,564,701**	**825,430,066**
Weighted average number of equity shares for calculating diluted EPS	**897,325,742**	**853,351,407**
Basic earnings share (in ₹)	**11.28**	**10.46**
Dilutive earning per share (in ₹)	**11.09**	**10.12**

43. Segment information

The Group has made its consolidated segment reporting to meaningfully represent its business lines. Agency includes broking, advisory, product distribution and other fee based businesses; Capital Based includes income from treasury operations, investment income, and asset reconstruction business and financing; Insurance business represents life insurance business and general insurance business. Segment data for previous financial period has been reclassified to conform to current financial period's presentation.

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

Segment information	Particulars	Year Ended	
		31 March 2019	31 March 2018
1 Segment revenue [Total income] [2]			
	Agency	**13,674.56**	14,221.10
	Capital Based	**83,816.37**	67,407.46
	Insurance business	**11,095.37**	7525.39
	Unallocated	**231.23**	42.40
	Total income	**1,08,817.53**	**89,196.35**
2 Segment results [Profit / (Loss) before tax]			
	Agency	**4479.33**	4,623.31
	Capital Based	**16,524.65**	11,768.33
	Insurance business	**(3,300.14)**	(2,629.64)
	Unallocated	**-**	-
	Profit / (Loss) before tax	**17,703.84**	**13,762.00**
	Less: Unallocated net expenditure	**(266.74)**	(272.89)
	Total Profit before tax	**17,437.10**	**13,489.11**

		As at	
		31 March 2019	31 March 2018
3 Segment Assets			
	Agency	**43,927.26**	44,878.82
	Capital Based	**5,52,038.69**	5,49,942.83
	Insurance business	**38,855.51**	31,855.30
	Unallocated	**10,613.98**	8,195.21
	Total assets	**6,45,435.44**	**6,34,872.16**

(Currency: Indian rupees in millions)

		As at	
		31 March 2019	**31 March 2018**
4 Segment Liabilities			
	Agency	**39,618.68**	41,201.62
	Capital Based	**4,83,928.59**	4,93,496.71
	Insurance business	**28,370.92**	18,838.39
	Unallocated	**6,367.34**	3,072.74
	Total liabilities	**5,58,285.53**	**5,56,609.46**

1. Non-cash expenditure aggregated ₹ 11,183.35 millions for the year ended 31 March 2019 (₹ 15,100.76 millions for the year ended 31 March 2018).
2. Segment revenue includes share in profit / (loss) of associates.

Particulars		**As at 1 April 2017**
1	**Segment Assets**	
	Agency	34,072.60
	Capital Based	3,94,456.48
	Insurance business	20,235.48
	Unallocated	6,802.66
	Total assets	**4,55,567.22**
2	**Segment Liabilities**	
	Agency	31,779.63
	Capital Based	3,54,490.40
	Insurance business	12,609.79
	Unallocated	2,600.66
	Total liabilities	**4,01,480.48**

44. Transfer of financial assets

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

	2018-19	2017-18
	INR in million	INR in million
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	**704.93**	-
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	**750.24**	-
Fair value of assets	**848.48**	-
Fair value of associated liabilities	**784.84**	-
Net position at fair value	**63.64**	-

(Currency: Indian rupees in millions)

45. Unconsolidated structured entities

The Group has exposure to certain unconsolidated structured entities being securitisation trusts, alternative investment funds and similar funds. The Group is involved in setting up of these structured entities and generally, acts as the investment manager. However, the Group can be removed by certain specified majority of the investors. Further, the Group does not have significant exposure to variability of returns and its remuneration is commensurate to the services provided. Therefore, these structured entities are not consolidated by the Group.

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

Particulars	31 March 2019			
	Securitisation trusts	**Alternative Investment Funds**	**Total**	**Maximum exposure[1]**
Loans	**549.46**	**-**	**549.46**	**549.46**
Trade Receivables	**5,215.28**	**194.29**	**5,409.57**	**5,409.57**
Investments at fair value through profit or loss	**52,859.49**	**2,490.68**	**55,350.17**	**55,350.17**
Total Assets	**58,624.23**	**2,684.97**	**61,309.20**	**61,309.20**
Off-balance sheet exposure	**-**	**3,470.71**	**3,470.71**	**3,470.71**
Size of the structured entity[1]	**441,253.63**	**171,713.25**	**612,966.88**	**-**
Income from the structured entity	**19,898.44**	**1,271.14**	**21,169.58**	**-**

Particulars	31 March 2018			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure[1]
Loans	283.90	-	283.90	283.90
Trade Receivables	4,490.20	179.15	4,669.35	4,669.35
Investments at fair value through profit or loss	45,211.70	891.26	46,102.96	46,102.96
Total Assets	49,985.80	1,070.41	51,056.21	51,056.21
Off-balance sheet exposure	-	4,339.37	4,339.37	4,339.37
Size of the structured entity [1]	423,301.23	77,084.53	500,385.76	-
Income from the structured entity	6,793.72	501.70	7,295.42	-

	1 April 2017			
Particulars	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure[1]
Loans	248.37	-	248.37	248.37
Trade Receivables	3,765.70	72.13	3,837.83	3,837.83
Investments at fair value through profit or loss	37,659.90	344.84	38,004.74	38,004.74
Total Assets	41,673.97	416.97	42,090.94	42,090.94
Off-balance sheet exposure	-	613.03	613.03	613.03
Size of the structured entity[1]	372,983.19	27,979.43	400,962.62	-

[1] In the above table, the size of the structured entity refers to the corpus in case of securitisation trusts and to the assets under management in case of alternative investment funds. For loans, trade receivables and investments in structured entities, the carrying value reflects the Group's maximum exposure to loss.

(Currency: Indian rupees in millions)

46. Disclosure of interest in other entities:

1. The Group does not have any associates as at 31 March 2019.

2. Details of non-wholly owned subsidiaries that have material non-controlling interests.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests	Profit (loss) allocated to non-controlling interests	
			31-Mar-19	31-Mar-18
Edelweiss Asset Reconstruction Company Limited	India	40.16%	1,747.03	723.54
Edelweiss Tokio Life Insurance Company Limited	India	49.00%	(1,322.28)	(1,154.78)

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Edelweiss Asset Reconstruction Company Limited			
Financial assets	68,308.29	54,347.05	43,382.63
Non-financial assets	95.36	421.35	211.30
Financial liabilities	48,638.71	41,721.00	32,364.34
Non-financial liabilities	2,415.63	1,462.21	2,089.12
Equity attributable to owners of the Company	12,116.76	8,091.10	5,469.66
Non-controlling interests	5,232.55	3,494.09	3,670.81

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	13,660.79	7,668.53
Total Income	13,668.76	7,693.52
Total expenses	6,910.53	4,902.44
Profit before tax	6,758.23	2,791.08
Tax expense	2,408.04	989.43
Profit for the year	4,350.19	1,801.65
Total Comprehensive Income	4,349.74	1,801.63
Profit for the year attributable to owners of the parent	2,603.16	1,078.11
Profit for the year attributable non-controlling interests	1,747.03	723.54
Cash flows generated from operating activities	7,669.34	3,783.95
Cash flows (used) from investing activities	(7,171.51)	(8,782.06)
Cash flows (used) / generated from financing activities	(177.17)	4,844.09
Net cash inflow / (outflow)	320.66	(154.02)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Edelweiss Tokio Life Insurance Company Limited			
Financial assets	**31,803.70**	26,331.27	16,978.68
Non-financial assets	**4,477.38**	3,920.66	3,227.38
Financial liabilities	**3,220.26**	2,233.59	1,520.14
Non-financial liabilities	**23,768.16**	16,410.78	11,087.62
Equity attributable to owners of the Company	**4,739.26**	5,919.86	3,875.13
Non-controlling interests	**4,553.40**	5,687.70	3,723.17

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	**10,555.45**	7,484.56
Total Income	**10,575.64**	7,491.47
Total expenses	**13,274.16**	9,848.17
Profit before tax	**(2,698.52)**	(2,356.70)
Tax expense	**-**	-
Profit for the year	**(2,698.52)**	(2,356.70)
Other Comprehensive Income	**383.62**	(340.93)
Total Comprehensive Income	**(2,314.90)**	(2,697.63)
Profit for the year attributable to owners of the parent	**(1,376.24)**	(1,201.92)
Profit for the year attributable non-controlling interests	**(1,322.28)**	(1,154.78)
Cash flows generated from operating activities	**2,408.61**	1,734.56
Cash flows (used) from investing activities	**(2,363.28)**	(8,938.41)
Cash flows generated from financing activities	**-**	6,700.00
Net cash inflow / (outflow)	**45.33**	(503.85)

47. Retirement benefit plan

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

Amount of INR 408.05 million (Previous year: INR 363.67 million) is recognised as expenses and included in "Employee benefit expense" in the statement of profit and loss

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Group, 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):

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

(Currency: Indian rupees in millions)

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

	2019	2018
Current service cost	**116.25**	85.16
Interest on defined benefit obligation	**11.29**	7.29
Past service cost	**-**	56.52
Exchange rate adjustment	**0.34**	0.04
Total included in 'Employee benefits expense'	**127.88**	149.01
Movement in Other Comprehensive Income:		
Balance at start of year (Loss)/ Gain		
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	**(8.37)**	11.46
b. Actuarial (Loss)/ Gain from experience over the past year	**(18.12)**	13.08
Re-measurements on Plan Assets		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	**0.95**	4.62
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)	**(0.06)**	(4.48)
Balance at end of year (Loss)/ Gain	**(25.60)**	24.68

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

	2019	2018
Present value of DBO at the beginning of the year	**487.60**	386.88
Acquisition/ (Divestiture)	**3.28**	-
Transfer (out)/in	**-**	1.82
Interest cost	**35.09**	25.98
Current service cost	**116.25**	85.16
Benefits paid	**(43.52)**	(41.36)
Past service cost		56.52
Actuarial (gain)/loss	**26.48**	(24.54)
Exchange Rate Adjustment	**0.35**	(2.86)
Present value of DBO at the end of the year	**625.53**	487.60

(Currency: Indian rupees in millions)

Reconciliation of fair value of plan assets:		
	2019	2018
Fair value of plan assets at the beginning of the year	**348.42**	290.19
Acquisition / (Divestiture)	**3.28**	-
Contributions by Employer	**173.19**	76.27
Benefits paid	**(43.52)**	(41.36)
Interest income	**24.23**	18.70
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	**0.93**	4.62
Fair value of plan assets at the end of the year	**506.53**	348.42

Net asset / (liability) recognised in the balance sheet:

	2019	2018	2017	2016	2015
Present value of DBO	**(625.53)**	(487.60)	(380.66)	(320.23)	(236.95)
Fair value of plan assets at the end of the year	**506.53**	348.42	290.19	257.36	189.82
Net Liability	**(119.00)**	(139.18)	(90.47)	(62.87)	(47.13)
Less: Effect of limiting net assets to asset ceiling	**(6.45)**	(5.96)	(1.40)	-	-
Liability recognised in the balance sheet	**(125.45)**	(145.14)	91.87	(62.87)	(47.13)

Experience adjustments:					
	2019	2018	2017	2016	2015
On plan liabilities: loss / (gain)	**18.12**	(13.07)	(11.37)	28.52	5.15
On plan assets: gain / (loss)			15.53	(4.92)	21.61
Estimated contribution for next year			1.00	1.50	-

Principal actuarial assumptions at the balance sheet date:

	2019	2018
Discount rate	6.70%-7.00%	7.00%-7.30%
Salary escalation	7.00%	7.00%
Employees attrition rate	13% - 60%	13% - 60%
Mortality Rate	IALM 2012-14 (Utl)	IALM 2006-08 (Utl)

Percentage Break-down of Total Plan Assets	**31 March 2019**	31 March 2018	1 April 2017
Investment Funds with Insurance Company	**100%**	100%	100%

Sensitivity Analysis for 2019:

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(29.46)	32.19	31.86	(29.71)

Sensitivity Analysis for 2018:

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(22.21)	24.02	23.83	(22.45)

(Currency: Indian rupees in millions)

48. 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. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations

	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
(a) Cash and cash equivalents	**31,158.21**	**-**	**31,158.21**	24,080.96	-	24,080.96	10,390.15	-	10,390.15
(b) Bank balances other than cash and cash equivalents	**33,396.05**	**-**	**33,396.05**	21,536.82	-	21,536.82	27,184.89	-	27,184.89
(c) Derivative financial instruments	**1,615.89**	**325.01**	**1,940.90**	8,287.77	290.12	8,577.89	1,059.58	357.12	1,416.70
(d) Stock in trade (securities held for trading)	**39,136.66**	**-**	**39,136.66**	47,981.24	-	47,981.24	39,040.00	-	39,040.00
(e) Trade Receivables	**24,277.91**	**3,262.15**	**27,540.06**	27,477.59	2,615.77	30,093.36	11,754.85	2,234.50	13,989.35
(f) Loans	**1,15,551.25**	**2,68,531.85**	**3,84,083.10**	1,22,303.79	2,62,086.87	3,84,390.66	87,339.79	1,81,241.80	2,68,581.59
(g) Investments	**24,403.17**	**63,587.30**	**87,990.47**	25,514.76	53,356.65	78,871.41	9,650.38	48,503.90	58,154.28
(h) Other financial assets	**5,411.45**	**4,587.06**	**9,998.51**	8,268.27	1,536.87	9,805.14	7,900.96	443.89	8,344.85
Total financial assets (A)	**2,74,950.59**	**3,40,293.37**	**6,15,243.96**	2,85,451.20	3,19,886.28	6,05,337.48	1,94,320.60	2,32,781.21	4,27,101.81
Non-financial assets									
(a) Inventories	**1,691.32**	**-**	**1,691.32**	1,429.06	-	1,429.06	2,687.50	-	2,687.50
(b) Reinsurance assets	**34.54**	**2,851.65**	**2,886.19**	-	2,490.31	2,490.31	-	2,035.69	2,035.69
(c) Current tax assets (net)	**4,326.64**	**-**	**4,326.64**	5,099.77	-	5,099.77	4,171.93	-	4,171.93
(d) Deferred tax assets (net)	**-**	**4,905.87**	**4,905.87**	-	5,950.30	5,950.30	-	4,928.61	4,928.61
(e) Investment property	**-**	**3,144.51**	**3,144.51**	-	1,772.79	1,772.79	-	3,487.89	3,487.89
(f) Property, Plant and Equipment	**-**	**5,477.86**	**5,477.86**	-	5,767.66	5,767.66	-	5,300.43	5,300.43
(g) Capital work in progress	**-**	**102.94**	**102.94**	-	8.73	8.73	-	610.03	610.03
(h) Intangible assets under development	**-**	**333.90**	**333.90**	-	412.92	412.92	-	399.54	399.54
(i) Goodwill	**-**	**1,742.72**	**1,742.72**	-	1,543.85	1,543.85	-	1,521.71	1,521.71
(j) Other Intangible assets	**-**	**2,282.58**	**2,282.58**	-	1,468.78	1,468.78	-	1,102.72	1,102.72
(k) Other non- financial assets	**2,462.76**	**834.19**	**3,296.95**	2,677.13	913.38	3,590.51	1,064.68	1,154.68	2,219.36
Total non-financial assets (B)	**8,515.26**	**21,676.22**	**30,191.48**	9,205.96	20,328.72	29,534.68	7,924.11	20,541.30	28,465.41
TOTAL ASSETS (C = A+B)	**2,83,465.85**	**3,61,969.59**	**6,45,435.44**	2,94,657.16	3,40,215.00	6,34,872.16	2,02,244.71	2,53,322.51	4,55,567.22

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES									
Financial liabilities									
(a) Derivative financial instruments	**1,349.78**	**579.73**	**1,929.51**	629.17	370.13	999.30	529.94	418.99	948.93
(b) Trade Payables	**19,752.83**	**-**	**19,752.83**	15,914.63	-	15,914.63	20,644.08	-	20,644.08
(c) Insurance claims payable	**45.61**	**-**	**45.61**	55.06	-	55.06	19.74	-	19.74
(d) Debt securities	**75,245.44**	**1,70,665.04**	**2,45,910.48**	93,203.16	1,56,182.32	2,49,385.48	1,06,463.44	1,13,235.31	2,19,698.75
(e) Borrowings (other than debt securities)	**1,06,065.56**	**88,287.05**	**1,94,352.61**	1,10,969.81	1,02,925.52	2,13,895.33	54,066.45	60,505.79	1,14,572.24
(f) Deposits	**1,390.38**	**46.38**	**1,436.76**	385.98	3,026.17	3,412.15	-	553.16	553.16
(g) Subordinated Liabilities	**1,003.39**	**22,673.19**	**23,676.58**	559.86	22,388.09	22,947.95	577.95	12,610.80	13,188.75
(h) Other financial liabilities	**32,106.44**	**294.57**	**32,401.01**	22,634.42	207.24	22,841.66	12,197.94	180.92	12,378.86
Total financial liabilities (D)	**2,36,959.43**	**2,82,545.96**	**5,19,505.39**	2,44,352.09	2,85,099.47	5,29,451.56	1,94,499.54	1,87,504.97	3,82,004.51
Non-financial liabilities									
(a) Current tax liabilities (net)	**1,435.14**	**-**	**1,435.14**	2,059.19	-	2,059.19	1,206.42	-	1,206.42
(b) Provisions	**122.05**	**205.66**	**327.71**	446.92	456.86	903.78	543.73	721.33	1,265.06
(c) Provision for policyholders' liabilities	**-**	**24,492.79**	**24,492.79**	-	16,538.04	16,538.04	-	11,225.05	11,225.05
(d) Deferred tax liabilities (net)	**-**	**2,532.70**	**2,532.70**	-	1,663.92	1,663.92	-	1,086.61	1,086.61
(e) Other non-financial liabilities	**3,107.52**	**6,884.28**	**9,991.80**	2,733.87	3,259.10	5,992.97	4,552.48	140.35	4,692.83
Total non-financial liabilities (E)	**4,664.71**	**34,115.43**	**38,780.14**	5,239.98	21,917.92	27,157.90	6,302.63	13,173.34	19,475.97
TOTAL LIABILITIES (F = D+E)	**2,41,624.14**	**3,16,661.39**	**5,58,285.53**	2,49,592.07	3,07,017.39	5,56,609.46	2,00,802.17	2,00,678.31	4,01,480.48
NET TOTAL ASSETS / (LIABILITIES) (C-F)	**41,841.71**	**45,308.20**	**87,149.91**	45,065.09	33,197.61	78,262.70	1,442.54	52,644.20	54,086.74

(Currency: Indian rupees in millions)

49. Changes in liabilities arising from financing activities

Particulars	01-Apr-18	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-19
Borrowings*	489,640.91	(32,701.10)	-	-	8,436.62	**465,376.43**
Total liabilities from financing activities	489,640.91	(32,701.10)	-	-	8,436.62	**465,376.43**

Particulars	01-Apr-17	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-18
Borrowings*	348,012.90	131,810.89	-	-	9,817.12	**489,640.91**
Total liabilities from financing activities	348,012.90	131,810.89	-	-	9,817.12	**489,640.91**

* Comprises of Debt securities, Deposits, Subordinated Liabilities and other borrowings

** Refers to interest expense for the year incurred by entities other than non-banking financial companies in the group.

50. Contingent liabilities, commitments and leasing arrangements:

50.1 Contingent liabilities and commitments

- o Taxation matters in respect of which appeal is pending ₹ 865.06 million (Previous year: ₹ 1,081.91 million).
- o Litigation pending against Group amounts to ₹ 668.00 million (Previous year: ₹ 119.60 million).
- o Claims not acknowledged as debt ₹ 54.87 million (Previous year: ₹ 60.48 million).

The Group 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 Group 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, Group 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.

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

- Undrawn committed credit lines subject to meeting of conditions, ₹ 43,626.81 million as at balance sheet date (Previous year: ₹ 50,877.36 million).
- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 555.83 million (Previous year: ₹ 817.11 million).

(Currency: Indian rupees in millions)

50.2. Operating lease commitments

operating leases as at 31 March are, as follows:

Particulars	31-Mar-19	31-Mar-18	1 April 2017
Within one year	**258.26**	203.10	174.82
After one year but not more than five years	**373.85**	128.45	376.61
More than five years		-	92.56
Total	**632.11**	331.55	643.99

Operating lease – Group as a lessor

Future minimum lease payments under non–cancellable operating leases as at 31 March are, as follows:

Particulars	31-Mar-19	31-Mar-18	01-April-17
Within one year	-	-	3.16
After one year but not more than five years	-	-	
More than five years	-	-	
Total	**-**	**-**	3.16

51. Related party disclosures

(A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Rashesh Shah

Mr. Venkatchalam Ramaswamy

Ms. Vidya Shah

Ms. Aparna T.C.

(B) Key Management Personnel

Mr. Rashesh Shah - Chairman, Managing Director & CEO

Mr. Venkatchalam Ramaswamy - Executive Director

Mr. Himanshu Kaji - Executive Director

Mr. Rujan Panjwani - Executive Director

(C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place

Ms. Kaavya Venkat

Ms. Shilpa Mody

Ms. Sejal Premal Parekh

Mr. A V Ramaswamy

Ms. Sneha Sripad Desai

Mr. Neel Shah

Mr. Nalin Kaji

Ms. Shabnam Panjwani

(Currency: Indian rupees in millions)

51. Related party disclosures *(Continued)*

(D) Enterprises where significant influence is exercised

Allium Finance Private Limited (Associate upto 28 November 2018 and post that date it became a subsidiary)

(E) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place

Spire Investment Advisors LLP

Mabella Investment Adviser LLP

Shah Family Discretionary Trust

(F) Independent Directors

Mr. Berjis Desai

Mr. Biswamohan Mahapatra

Mr. Kunnasagaran Chinniah

Mr. Navtej S. Nandra

Mr. P N Venkatachalam

Mr. Sanjiv Misra (up to 24 January 2019)

Mr. Sunil Mitra (up to 2 August 2017)

Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
	Transactions with related parties			
1.	Short term loans given to	Mr. Nalin Kaji	**-**	500.00
		Ms. Aparna T. C.	**468.56**	-
		Mr. Rujan Panjwani	**-**	6.00
		Mabella Investment Advisor LLP	**488.91**	-
2.	Short term loans given repaid by	Mr. Nalin Kaji	**-**	500.00
		Ms. Aparna T. C.	**468.56**	44.66
		Mabella Investment Advisor LLP	**488.91**	-
		Mr. Rujan Panjwani	**6.00**	-
3.	Purchase of security from	Mr Rujan Panjwani	**10.00**	-
4.	Reimbursement recovered from	Allium Finance Private Limited	**1.80**	3.41
5.	Dividend paid	Mr. Rashesh Shah	**203.42**	196.16
		Mr. Venkatchalam Ramaswamy	**81.24**	78.34
		Ms. Vidya Shah	**49.04**	47.29
		Shah Family Discretionary Trust	**54.25**	52.31
		Spire Investment Advisors LLP	**4.48**	4.32

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Transactions and balances with Related Parties: *(Continued)*				
Sr. No.	**Nature of Transaction**	**Related Party Name**	**31 March 2019**	**31 March 2018**
5.	Dividend paid *(Continued)*	Ms. Aparna T. C.	**17.09**	16.42
		Ms. Kaavya Venkat	**16.51**	15.92
		Mr. Rujan Panjwani	**18.15**	17.03
		Mr. Himanshu Kaji	**5.58**	4.10
		Ms. Sneha Sripad Desai	**1.44**	1.38
		Ms. Shilpa Mody	**1.33**	1.35
		Ms. Sejal Premal Parekh	**1.33**	1.35
		Ms. Shabnam Panjwani	**0.80**	0.53
		Mr. A V Ramaswamy	**0.07**	0.07
		Mr. Navtej S. Nandra	**11.16**	10.75
		Mr. Berjis Desai	**0.19**	0.14
		Mr. Sanjiv Misra	**0.14**	0.08
		Mr. P. N. Venkatachalam	**0.38**	0.36
6.	Interest income on loan from	Mr. Nalin Kaji	**-**	2.86
		Ms. Aparna T. C.	**1.87**	-
		Mr. Rujan Panjwani	**0.01**	0.01
		Mabella Investment Advisor LLP	**2.22**	-
7.	Brokerage earned from	Mabella Investment Adviser LLP	**6.74**	7.96
		Ms. Aparna T. C.	**0.13**	0.17
		Mr. A V Ramaswamy	**-**	0.01
		Ms. Kavya Venkat	**-**	0.03
		Ms. Sejal Parekh	**0.01**	
8.	Remuneration to	Mr. Rashesh Shah	**140.66**	131.73
		Mr. Rujan Panjwani	**79.28**	73.69
		Mr. Himanshu Kaji	**74.93**	71.43
		Mr. Venkatchalam Ramaswamy	**63.10**	60.08
		Ms. Shabnam Panjwani	**9.21**	17.36
		Ms. Vidya Shah	**4.05**	7.25
		Mr Neel Shah	**1.96**	-
9.	Cost reimbursements recovered from	Allium Finance Private Limited	**0.20**	2.40
10.	Sitting fees paid to	Mr. Berjis Desai	**0.26**	0.42
		Mr. Biswamohan Mahapatra	**0.28**	0.36
		Mr. Kunnasagaran Chinniah	**0.40**	0.26
		Mr. Navtej S. Nandra	**0.30**	0.20
		Mr. P N Venkatachalam	**0.48**	0.46
		Mr. Sanjiv Misra	**0.28**	0.22
		Mr. Sunil Mitra	**-**	0.08

(Currency: Indian rupees in millions)

Transactions and balances with Related Parties: *(Continued)*

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
11.	Commission paid to	Mr. Berjis Desai	**1.30**	1.30
		Mr. Biswamohan Mahapatra	**1.30**	1.30
		Mr. Kunnasagaran Chinniah	**1.30**	1.30
		Mr. Navtej S. Nandra	**1.30**	1.30
		Mr. P N Venkatachalam	**1.30**	1.30
		Mr. Sanjiv Misra	**1.30**	1.30
		Mr. Sunil Mitra	**-**	1.30
	Balances With Related Parties			-
12.	Investments in equity shares of	Allium Finance Private Limited	**-**	21.18
13.	Investments in preference shares of	Allium Finance Private Limited	**-**	123.88
14.	Short term loans given to	Mr. Rujan Panjwani	**-**	6.00
15.	Debentures held by	Mr. Rujan Panjwani	**-**	10.00
16.	Preference shares held by	Mr. Rujan Panjwani	**2.30**	2.30
		Ms. Shabnam Panjwani	**1.00**	1.00
17.	Trade receivables from	Allium Finance Private Limited	**-**	1.11
18.	Trade payables to	Allium Finance Private Limited	**-**	0.01
19.	Accrued interest income on loans given to	Mr. Rujan Panjwani	**-**	0.01

Notes:

- o 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.
- o Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.

(Currency: Indian rupees in millions)

52. Capital management:

The Group manages the capital structure by a balanced mix of debt and equity. The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Group maintains sound capitalisation both from an economic and regulatory perspective. The Group continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Group's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2019 and 31 March 2018.

This framework is adjusted based on underlying the macro-economic factors affecting business environment, financial market conditions and interest rates environment. Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	**31 March 2019**	31 March 2018	1 April 2017
Total Debt	**4,65,376.43**	4,89,640.91	3,48,012.90
Equity	**87,149.91**	78,262.70	54,086.74
Net Debt to Equity	**5.34**	6.26	6.43

53. Share based payments:

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2019, 31 March 2018 and 1 April 2017 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans (hereafter referred to as "ESOP 2010" and "ESOP 2011" or "ESOPs").

The Edelweiss Group has granted ESOPs under the three plans viz., ESOP 2010 and ESOP 2011 to its employees on an equity-settled basis as tabulated below. The ESOPs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

	ESOP 2010	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at March 31, 2019	-	20,588,627
No. of outstanding options at March 31, 2018	1,473,000	33,451,874
No. of outstanding options at April 1, 2017	4,259,750	56,658,402
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	1-4 years	1-4 years
Vesting Conditions	Service	Service

(Currency: Indian rupees in millions)

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

	ESOP 2010	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	25%	25%
24 months from the grant date	25%	25%
36 months from the grant date	25%	25%
48 months from the grant date	25%	25%
Total	100%	100%

Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2010	Various	As specified in tables above	1-4 years	Equity settled
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled

Movement of number of Options for FY 2018-19 and 2017-18

Number of options	2018-19			2017-18		
	ESOP 2010	ESOP 2011	Total	ESOP 2010	ESOP 2011	Total
Outstanding at the start of the year	1,473,000	33,451,874	34,924,874	4,259,750	56,658,402	60,918,152
Granted during the year	-	4,153,750	4,153,750	-	3,387,000	3,387,000
Exercised during the year	(1,462,850)	(15,207,822)	(16,670,672)	(2,769,750)	(25,048,690)	(27,818,440)
Lapsed/ cancelled during the year	(10,150)	(1,809,175)	(1,819,325)	(17,000)	(1,544,838)	(1,561,838)
Outstanding at the end of the year	-	20,588,627	20,588,627	1,473,000	33,451,874	34,924,874
Exercisable at the end of the year	-	10,555,675	10,555,675	1,473,000	15,190,574	16,663,574

Weighted Average Exercise Price for FY 2018-19 and 2017-18

Weighted Average Exercise Price (₹)	31 March 2019		31 March 2018	
	ESOP 2010	ESOP 2011	ESOP 2010	ESOP 2011
Outstanding at the start of the year	49.41	57.84	49.2	39.19
Granted during the year	-	294.67	-	197.88
Exercised during the year	49.41	39.65	49.09	35.1
Lapsed/ cancelled during the year	48.56	122.76	48.56	56.33
Outstanding at the end of the year	-	117.34	49.41	57.84
Exercisable at the end of the year	-	51.27	49.41	37.05
Weighted Average Share price at the exercise date	49.91	39.61	49.47	35.08

Outstanding Options as at March 31 - 2019 and 2018

	31 March 2019		31 March 2018	
	ESOP 2010	ESOP 2011	ESOP 2010	ESOP 2011
Number of options outstanding	-	20,588,627	1,473,000	33,451,874
Weighted average strike price (₹)	-	117.34	49.41	57.84
Weighted average remaining lifetime of options (in years)	-	0.55	-	0.39
Number of employees covered under the scheme	-	446	68	523

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Options granted during FY 2018-19 and 2017-18

	31 March 2019		31 March 2018	
	ESOP 2010	**ESOP 2011**	ESOP 2010	ESOP 2011
Number of options granted	**NA**	**4,153,750**	NA	3,387,000
Weighted average strike price (in ₹)	**NA**	**294.67**	NA	197.88
Weighted average remaining lifetime of options (in years)	**NA**	**3.50**	NA	3.50
Number of employees covered under the scheme	**NA**	**179.00**	NA	141.00
Weighted Average Fair value per option (in ₹)	**NA**	**112.57**	NA	78.21
Weighted Average Intrinsic value per option (in ₹)	**NA**	**2.59**	NA	1.55

Assumptions for Fair Value for FY 2018-19 and 2017-18

	31 March 2019		31 March 2018	
	ESOP 2010	**ESOP 2011**	ESOP 2010	ESOP 2011
Weighted average share price (in ₹)	**NA**	**116.93**	49.90	57.32
Weighted average strike price (in ₹)	**NA**	**117.34**	49.41	57.84
Weighted average remaining lifetime of options (in years)	**NA**	**0.55**	-	0.39
Expected volatility (% p.a.)	**NA**	**33% - 54% p.a.**	33% - 42% p.a.	33% - 54% p.a.
Risk-free discount rate (% p.a.)	**NA**	**6.0% - 8.5% p.a.**	7.3% - 7.6% p.a.	6.0% - 8.5% p.a.
Expected dividend yield (% p.a.)	**NA**	**0.4% - 3.1% p.a.**	0.9% - 1.4% p.a.	0.4% - 3.1% p.a.

Other Disclosure

	31 March 2019			March 31 2018		
	ESOP 2010	**ESOP 2011**	**Total**	ESOP 2010	ESOP 2011	Total
Charges during the year due to share based payments	**(2.57)**	**228.04**	**225.47**	0.72	154.21	154.93
Changes in fair value of share based payments due to any modifications made during the year	**-**	**-**	**-**	-	-	-
Liability due for share based payments	**-**	**460.59**	**460.59**	29.31	442.77	472.08
Intrinsic value of the liability above	**-**	**-**	**-**	-	-	-

54. Events after reporting date:

Stock appreciation rights

The Board of Directors of the Company had given its approval on 26 March 2019 for implementing Edelweiss Employees Stock Appreciation Rights Plan 2019 (SAR Plan 2019) wherein Stock Appreciation Rights (SARs) would be granted to eligible employees of the Group. Such SARs shall give the concerned employees a right to receive the difference between the SAR price and the market price of equity shares of the Company on the date of exercise, either by way of cash or issuance of equity shares of the Company, at the discretion of the Company. Further, the maximum number of SARs granted under the SAR Plan 2019 shall not exceed such number of SARs as would be exercisable into not more than 40.00 million equity shares of the Company. The SAR Plan 2019 received the approval of the members of the Company on 30 April 2019 by way of postal ballot.

(Currency: Indian rupees in millions)

Investment by CDPQ in ECLF

Pursuant to Securities Subscription Agreement dated 5 March 2019 amongst ECL Finance Limited ("ECLF"), Edelweiss Financial Services Limited ("the Company"), Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US$ 250 million, amounting to approximately INR 18,000 million into ECLF, the Investor has subscribed to 1000 Equity shares of INR 1 each at premium of INR 31 per Equity Share of ECLF and 103,949,680 Compulsorily Convertible Debentures (CCDs) at INR 100 per CCD of ECLF and accordingly paid ECLF a total sum of INR 10,395 million on 7 May 2019, towards first tranche.

55. Fair value measurement:

55.1. 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, as explained in Note 55.4

55.2. Valuation governance :

The Group'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 Group 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 responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

55.3. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 10.1.

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	1,092.02	-	-	1,092.02
OTC derivatives	-	400.81	-	400.81
Embedded derivatives in market-linked debentures issued	-	-	580.81	580.81
Total derivative financial instruments (assets)	1,092.02	400.81	580.81	2,073.64
Stock-in-trade				
Government Securities	27,552.72	-	-	27,552.72
Debt Securities	520.04	2,020.90	-	2,540.94
Mutual Fund	6,642.51	-	-	6,642.51
Equity Instruments	2,400.36	-	-	2,400.36
Preference Shares	0.13	-	-	0.13

Notes to the consolidated financial statements *(Continued)*
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Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Stock-in-trade	**37,115.76**	**2,020.90**	**0.00**	**39,136.66**
Investments				
Government securities	**14,639.54**	**-**	**-**	**14,639.54**
Debt securities	**502.47**	**5,196.07**	**406.50**	**6,105.04**
Mutual fund units	**1,057.71**	**698.24**	**-**	**1,755.95**
Security receipts	**-**	**-**	**53,121.56**	**53,121.56**
Units of AIF	**-**	**-**	**2,957.36**	**2,957.36**
Equity instruments	**5,840.00**	**770.30**	**798.72**	**7,409.02**
Preference Shares	**75.68**	**1,319.25**	**37.27**	**1,432.20**
Total investments measured at fair value	**22,115.40**	**7,983.86**	**57,321.41**	**87,420.67**
Loans and other financial assets measured at fair value	**-**	**224.83**	**5,896.70**	**6,121.53**
Total financial assets measured at fair value on a recurring basis	**60,323.18**	**10,630.40**	**63,798.92**	**1,34,752.50**

Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	8,249.72	-	-	8,249.72
OTC derivatives	-	757.07	-	757.07
Embedded derivative assets in market-linked debentures	-	-	487.98	487.98
Total derivative financial instruments (assets)	**8,249.72**	**757.07**	**487.98**	**9,494.77**
Stock-in-trade				
Debt securities	2,832.16	382.15	-	3,214.31
Government Securities	31,069.82	-	-	31,069.82
Equity Shares	2,701.85	10.12	-	2,711.97
Mutual Fund	8,491.80	2,252.99	-	10,744.79
Preference Shares	240.35	-	-	240.35
Total stock-in-trade	**45,335.98**	**2,645.26**	**-**	**47,981.24**
Investments				
Government debt securities	-	8,609.21	-	8,609.21
Debt securities	4,664.85	6,715.92	461.41	11,842.18
Mutual fund units	1,571.32	1,399.00	-	2,970.32
Security receipts	-	-	45,421.41	45,421.41
Units of AIF		340.44	1,368.83	1,709.27
Equity instruments	5,144.22	373.70	634.51	6,152.43
Preference shares	208.77	995.24	25.69	1,229.70
Total investments measured at fair value	**11,589.16**	**18,433.51**	**47,911.85**	**77,934.52**
Loan measured at fair value	-	-	3,366.42	3,366.42
Total financial assets measured at fair value on a recurring basis	**65,174.86**	**21,835.84**	**51,766.25**	**1,38,776.95**

(Currency: Indian rupees in millions)

Particulars	1 April 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	996.58	-	-	996.58
OTC derivatives	-	765.09	-	765.09
Embedded derivative assets in market-linked debentures	-	-	459.19	459.19
Total derivative financial instruments (assets)	**996.58**	**765.09**	**459.19**	**2,220.86**
Stock-in-trade				
Debt securities	2,575.33	1.83	-	2,577.16
Equity Shares	4,983.29	139.96	-	5,123.25
Government Securities	21,452.72	-	-	21,452.72
Mutual Fund	7,662.18	2,217.90	-	9,880.08
Preference Shares	6.79	-	-	6.79
Total stock-in-trade	**36,680.31**	**2,359.69**	**-**	**39,040.00**
Investments				
Government securities	-	4,982.56	-	4,982.56
Debt securities	2,235.81	2,679.17	811.42	5,726.40
Mutual fund units	1,631.96	2.57	-	1,634.53
Security receipts	-	-	37,926.67	37,926.67
Units of AIF	-	314.43	681.45	995.88
Equity instruments	4,351.57	784.73	464.71	5,601.01
Preference shares	138.22	153.09	368.99	660.30
Total investments measured at fair value	**8,357.56**	**8,916.55**	**40,253.24**	**57,527.35**
Loan measured at fair value	**-**	**-**	**2,053.80**	**2,053.80**
Total financial assets measured at fair value on a recurring basis	**46,034.45**	**12,041.33**	**42,766.23**	**1,00,842.01**

Particulars	**31 March 2019**			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	**1,001.30**	**-**	**-**	**1,001.30**
OTC derivatives	**-**	**514.95**	**-**	**514.95**
Embedded derivative liabilities in market-linked debentures	**-**	**-**	**1,469.08**	**1,469.08**
Non convertible debentures issued	**-**	**-**	**14,212.19**	**14,212.19**
Short sales	**2,150.91**			**2,150.91**
Total financial liabilities measured at fair value on a recurring basis	**3,152.21**	**514.95**	**15,681.27**	**19,348.43**

Notes to the consolidated financial statements *(Continued)*
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Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	2,024.55	-	-	2,024.55
OTC derivatives	-	1356.29	-	1,356.29
Embedded derivative liabilities in market-linked debentures	-	-	746.76	746.76
Non convertible debentures issued	-	-	7,200.80	7,200.80
Short sales	588.91	-	-	588.91
Total financial liabilities measured at fair value on a recurring basis	**2,613.46**	**1,356.29**	**7,947.56**	**11,917.31**

Particulars	1 April 2017			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	624.52	-	-	624.52
OTC derivatives	-	651.05	-	651.05
Embedded derivative liabilities in market-linked debentures	-	-	821.84	821.84
Non convertible debentures issued	-	-	1,704.39	1,704.39
Short sales	882.71	-	-	882.71
Total financial liabilities measured at fair value on a recurring basis	**1,507.23**	**651.05**	**2,526.23**	**4,684.51**

55.4. Fair valuation techniques :

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term 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. In life insurance business, CRISIL security level prices are considered.

Debt securities

Whilst most of these instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. 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. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not activity traded Group has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Group uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments

The majority of equity instruments are actively traded on recognised stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially aintenanc at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 3

Units of Alternative Investment Funds and Mutual Fund.

Units held in Alternative Investment funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified at Level 3.

Open-ended funds that are redeemable at any time, and that report a daily net asset value (NAV) and for which sufficient subscriptions and redemptions occur at NAV are measured at NAV and classified as level 1.

Loans measured at fair value through profit or loss

Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Group has determine fair value with help of internal valuation team and independent valuer on case to case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

Derivatives

The Group enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).

OTC derivatives:

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. 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 derivatives

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.

Group uses valuation models. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Group classify these embedded derivative as level 2 instruments

55.5. Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

55.6. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is different than the carrying amount. For the remaining financial assets and financial liabilities measured at amortised cost, the carrying amount approximates the fair value.

Notes to the consolidated financial statements *(Continued)*
(Currency: Indian rupees in millions)

Particulars	31 March 2019				
	Total Carrying Amount	**Total fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets:					
Loans	384,083.10	381,721.98	-	14,792.93	366,929.05
Financial liabilities					
Debt securities	245,910.48	246,996.95	-	198,867.55	48,129.40
Borrowing (other than debt securities)	194,352.61	194,374.07	-	194,374.07	-
Subordinated liabilities	23,676.58	22,939.65	-	22,939.65	-
Off-balance sheet items					
Loan commitments	43,626.81	38,282.47	-	-	38,282.47

Particulars	31 March 2018				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	384,390.66	390,538.47	-	11,907.73	378,630.74
Financial liabilities					
Debt securities	249,385.48	245,769.10	-	190,086.65	55,682.45
Borrowing (other than debt securities)	213,895.33	214,016.17	-	214,016.17	-
Subordinated liabilities	22,947.95	21,768.11	-	21,768.11	-
Off-balance sheet items					
Loan commitments	50,877.36	50,161.56	-	-	50,161.56

Particulars	1 April 2017				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	268,581.59	273,222.48	-	7,006.03	266,216.45
Financial liabilities					
Debt securities	219,698.75	220,287.57	-	186,970.66	33,316.91
Borrowing (other than debt securities)	114,572.24	114,579.43	-	114,579.43	-
Subordinated liabilities	13,188.75	14,246.11	-	14,246.11	-
Off-balance sheet items					
Loan commitments	23,977.32	23,650.29	-	-	23,650.29

(Currency: Indian rupees in millions)

55.7. 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 Group'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 as explained in Notes 55.4

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

55.8. Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

	Financial assets						Financial liabilities	
	Security Receipts	Equity & Preference	Debt Securities	AIFs	Loans classified as FVTPL	Derivative financial assets	Derivative financial liabilities	Non-convertible debentures issued
As at 1 April 2017	**37,926.67**	**833.70**	**811.42**	**681.45**	**2,053.80**	**459.19**	**821.84**	**1,704.39**
Purchases	18,829.91	210.38	-	605.04	952.54	-	-	-
Sales	(12,945.31)	(530.57)	(375.11)	(16.94)	-	-	-	-
Issuance	-	-	-	-	-	161.26	432.33	4,926.96
Settlements	-	-	-	(33.53)	-	(74.96)	(506.65)	(95.31)
Gain / Loss	1,610.14	146.69	25.10	132.81	360.08	(57.51)	(0.76)	664.76
As at 31 March 2018	**45,421.41**	**660.20**	**461.41**	**1,368.83**	**3,366.42**	**487.98**	**746.76**	**7,200.80**
Unrealised Gain / Loss	341.97	146.69	25.10	91.22	439.43	-	-	-
							-	-
As at 31 March 2018	**45,421.41**	**660.20**	**461.41**	**1,368.83**	**3,366.42**	**487.98**	**746.76**	**7,200.80**
Purchases	41,580.42	-	-	1,774.44	1,510.94	-	-	-
Sales	(41,881.69)	(150.98)	(102.60)	(133.14)	-	-	-	-
Issuance	-	-	-	-	-	(101.93)	618.86	5,302.14
Settlements	-	-	-	(206.28)	-	240.20	(37.03)	(420.65)
Gain / Loss	8,001.42	326.77	47.69	153.51	1,019.34	(45.44)	140.50	2,129.90
As at 31 March 2019	**53,121.56**	**835.99**	**406.50**	**2,957.36**	**5,896.70**	**580.81**	**1,469.08**	**14,212.19**
Unrealised Gain / Loss	6,233.47	324.93	72.79	136.17	1,019.46	-	-	-

(Currency: Indian rupees in millions)

55.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31 March 2019

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 175.43 to 431.32 per security receipt	5%	4.26	5%	(4.26)
	Discounted projected cash flow	Cash Flow	5,21,646.06	5%	3,286.25	5%	(3,103.26)
		Discount rates	12%	50 basis points	(699.13)	50 basis points	788.45
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	-	5%	2.68	5%	(2.68)
			₹ 145 to 141,337 per Unit	5%	158.17	5%	(158.17)
			₹ 1,061.54 million	5%	6.21	5%	(6.21)
			₹ 1,392.33 million to ₹13,329.35 million	5%	17.94	5%	(17.94)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 1 to 42,083 per share	5%	41.80	5%	(41.80)
Debt investments classified at FVTPL	Comparable transaction and P/E	Fair value of the instrument	-	5%	20.32	5%	(20.32)
Units of venture fund	Net Asset approach	Fair value of underlying investments	₹ 125,966 to ₹ 195,558 per unit	5%	4.58	5%	(4.58)
Loans classified as FVTPL	Comparable transaction value	Discounting rate	15%-20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Embedded derivatives in market-linked debentures issued (asset) (net)	Discounted cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market index curve	5%	5% increase in Market Index curve	(15.54)	5% decrease in Market Index curve	15.54
		Risk-adjusted discount rate	10.25%	0.5% increase in risk-adjusted discount rate	1.86	0.5% decrease in risk-adjusted discount rate	(1.86)
Embedded derivatives in market-linked debentures issued (liability) (net)	Fair value of index	Index levels	-	5%	27.14	5%	(27.14)
Non-convertible debentures issued	Discounted projected cash flow	Expected gross recoveries	₹ 2,20,936.89 million	5%	986.01	5%	(917.30)
		Discount rates	12.00%	50 basis points	(253.60)	50 basis points	281.26

(Currency: Indian rupees in millions)

As at 31 March 2018

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Discounted projected cash flow	Cash Flow	₹ 5,25,213.27 million	5%	2,504.41	5%	(2,415.90)
		Discount rates	12%	50 basis points	(591.81)	50 basis points	612.43
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	-	5%	2.63	5%	(2.63)
			₹ 1,608.87 million	5%	9.42	5%	(9.42)
			₹ 181 to 109,179 per Unit	5%	93.09	5%	(93.09)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 1 to 28,119 per share	5%	33.19	5%	(32.83)
Debt investments classified at FVTPL	Comparable transaction and P/E	Fair value of the instrument	-	5%	23.07	5%	(23.07)
Units of venture fund	Net Asset approach	Fair value of underlying investments	₹ 114,692 to ₹ 156,471 per unit	5%	4.12	5%	(4.12)
Loans classified as FVTPL	Comparable transaction value	Discounting rate	18%-25%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Embedded derivatives in market-linked debentures issued (asset) (net)	Discounted cash flows: The present value of expected future cash flows estimated based on Nifty forward discounted at current risk adjusted discount rate	Market index curve	5%	5% increase in Market Index curve	(9.89)	5% decrease in Market Index curve	9.89
		Risk-adjusted discount rate	10.25%	0.5% increase in risk-adjusted discount rate	1.06	0.5% decrease in risk-adjusted discount rate	(1.06)
Embedded derivatives in market-linked debentures issued (liability) (net)	Fair value of index	Index levels	-	5%	10.20	5%	(10.20)
Non-convertible debentures issued	Discounted projected cash flow	Expected gross recoveries	₹ 1,54,780.04 million	5%	481.64	5%	(465.91)
		Discount rates	12.00%	50 basis points	(161.61)	50 basis points	167.82

56. Risk Management

56.1. Introduction and risk profile

The Edelweiss Group ("The Group") provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Group's products and services span multiple asset classes and consumer segments across domestic and global geographies. The Group's key lines of business can broadly be classified as below

- Credit (Retail Credit, Corporate Credit and Distressed Credit)
- Franchise & Advisory (Wealth Management, Asset Management and Capital Markets)
- Insurance (Life and General)

The Group's diversified businesses acts as an inherent risk management mechanism. However, the prevailing market environment exposes the Group to various risks like credit, market, liquidity, compliance, technology amongst others. As the Group is regulated various regulators in the financial industry – from RBI to NHB to SEBI to IRDA, it also exposes it to regulatory and reputation risks.

56.2. Risk management strategy:

The strategy at an execution level is supported by –

1. Four-tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Defined exposure limits and thresholds for businesses to operate
5. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
6. Adequate segregation of duties to ensure multi-layered checks and balances
7. Exception reporting framework to ensure process and policy deviations are adequately addressed

56.3. Risk management structure

To support the risk strategy and effective risk management, the Group have the "Four-tiered risk management structure" to ensure that there are enough defences available to control all types of risk issues. The risk structure is enumerated below

1. **Three lines of defense** – for accountability, oversight, and assurance
    - **Respective Businesses and Business Risk teams –** the first line of defense own and manage the risks and are responsible for implementation of the risk management framework
    - **Group risk –** the second line of defense and is responsible for overseeing the risk and defining the risk management framework
    - **Corporate Controller and audit –** the third line of defense to provide independent assurance of risk management framework implementation

2. **Board and Executive level Committees** – for overseeing the risk management. The current Risk Management Committees are

- Board Risk Committee
- Global Risk Committee
- Enterprise Risk Management Council
- Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management at the Group level. The Committee meets on regular interval to review the risk profile of the Company.

The Enterprise Risk Management (ERM) Council and the Global Risk Committee serve as the Apex Risk bodies of the Group. The constituents include Chairman & CEO, Executive Directors and Group Heads of Finance, Compliance, Technology, Risk, Corporate Services as its core members. The Committee meets regularly to identify, evaluate and mitigate potential extreme risks and take risk management decisions in relation to strategic matters

The Investment and Credit Committee serve as the Apex bodies of the Group for all credit related decisions. Respective businesses has formulated its own Investment and Credit Committees depending upon the exposure scale.

Risk management framework

The Group has a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk across the Group. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current "Eleven risk framework" covers the following vectors of risks

- Business Risk
- Credit Risk
- Market Risk
- Liquidity Risk
- Regulatory Risk
- Reputation Risk
- Technology Risk
- Operational and Process Risk
- Fraud Risk
- People Risk
- Physical and Infrastructure Risk

The Group uses different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- Financial risks are mitigated through thorough counterparty, client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. Committee based approval mechanism is adopted to ensure high exposures are approved with adequate representation and there is no bias in approvals.

- Non-financial risks viz technology, operational, fraud, etc are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- Enterprise level risks viz. reputation, compliance, regulatory, etc are controlled through policies and framework, educating employees through training and risk socialisation sessions.

56.4. Risk management framework of General Insurance ("EGICL")

Governance framework

The core of our risk philosophy lies in the identification, measurement, monitoring and management of risk. We believe that enough is never enough when it comes to risk management: for us, it is a continuous, vital process that is an inalienable part of our DNA.

Risk is therefore directly overseen at all levels in the EGICL. The Governance structure can thus be seen from three focal points:

1. The Business Users would form the First Line of defence. First Line of defense would ensure that risk and control environment is established into their day to day activities. This line of defense would also:
   A. Implement proactive and reactive risk management tools in their processes
   B. Review their processes for adequacy of effectiveness of controls
   C. Report on the level of the risks and effectiveness of controls to the second line of defense on periodic basis
   D. Respond to Regulatory/ Operational/ Business changes quickly and keep the second line of defense informed on the developments.
2. Risk Management, and Compliance team forms part of the Second Line of Defense. The second line of defense is oversight function and would provide direction and guidance to the first line of defense for implementation of EGICL's Board driven policies. Second line of defense would also monitor implementation efficiency of these policies and provide overall oversight to the business processes and risks.
3. Independent assurance providers like internal auditors, external auditors, statutory auditors, regulatory auditors etc. forms third line of defense and provides independent assurance. Independent assurance function will have direct access to the Board of the EGICL. Statutory and Regulatory auditors would have independence as per Statutory and Regulatory assurance framework of the country.

The Insurance Regulatory and Development Authority (IRDAI) vide its circular number IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2018 has issued Guidelines on Corporate Governance for the Insurance Sector. Basis the circular, the following committees form part of the overall risk governance framework:

- Risk Management Committee
- Audit Committee
- Investment Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. EGICL has Chief Risk Officer who is responsible for the implementation and monitoring of the framework. Further, the key policies adopted under the Risk Framework are as under:

o Underwriting Policy
o Investment Policy
o Asset Liability Management Policy
o Reinsurance Program

- o Information Security Policy
- o Outsourcing Policy
- o Fraud Risk Management Policy
- o Financial authority Matrix

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the EGICL is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that EGICL maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of EGICL are subject to regulatory requirement within the jurisdiction it operates.

Asset liability management (ALM) framework

The ALM policy adopted by EGICL helps in:

- Understanding all risks requiring the coordination of assets and liabilities
- Quantify interest rate risks and equity risks
- Quantify the solvency position under various stresses in terms of fall in equity markets, changes in interest rates, change in new business mix and volumes, increase/decrease in loss ratios and expense ratios and other risks as deemed fit.
- Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

Granularity of the exercise:

The analysis is carried out at an LOB level as per the IRDAI guidelines. If reserves held under any line of business fall below 5% of the total reserves as at the given valuation date the corresponding line of business is excluded for the ALM exercise.

Asset Valuation:

Asset valuation and bucketing of assets basis the duration will be as per Ind AS and IRDAI regulations. Assets will be allocated to different lines of in proportion the net technical reserves for that line of business.

Liability profiling:

The technical reserves consist of:

1. Unearned Premium Reserves (UPR)
2. Premium Deficiency Reserve (PDR)
3. Incurred But Not Reported (IBNR) reserves
4. Outstanding claims reserves

UPR and PDR can be apportioned basis the policy term outstanding. Outstanding claims reserves and IBNR will be apportioned basis the expected reserve utilisation. Where data is available the reserving techniques like Chain Ladder method can provide significant inputs on the development profile for the claims. Where data is not available, industry benchmarks or assumptions related to the claims profile will be made to arrive at the suitable run off pattern for the liabilities. The emerging claims experience will be periodically reviewed by the actuarial department to take into account any changes in the same.

Insurance risk

The principal risk, EGICL faces under insurance contracts, is that the actual claims payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of EGICL is to ensure that sufficient reserves are available to cover these liabilities.

EGICL has developed a risk strategy to manage the risks appropriately. EGICL's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. EGICL mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

The main Insurance Risks that EGICL is exposed to are as follows:

I. Product Pricing Risk: The loss ratios are assumed at the time of pricing the product. There is a risk of not pricing the products adequately due to model error/ data selection or biases / lack of relevant data or inadequate underwriting assumptions leading to losses greater than anticipated.

II. Fraud Risk – Excessive, invalid, duplicate or fraudulent claims

III. Reinsurance Risk – EGICL enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.

IV. Investment Risk – Risk of loss arising from actual returns being different than expected. Credit risk due to investee enterprise defaulting on its debt payments

V. Expense Risk – Risk of loss arising from expense experience being different than expected

VI. Concentration Risk – EGICL faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Control Measures:

EGICL has set up Risk Management framework to continuously monitor EGICL's experience with regard to parameters like loss ratios and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

EGICL has entered into a separate agreement with reinsurers to cover the catastrophic risks to hedge against catastrophic events leading to higher than expected claim payouts.

EGICL has been taking efforts so as to mitigate concentration risk through diversification however company may still be exposed to channel concentration risk as EGICL is in 2nd year of operation and all the channels are not yet fully developed. EGICL has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates EGICL from impact of catastrophic risk.

56.5. Risk management framework of Life Insurance business ("ETLIFE")

The primary objective of ETLIFE's risk and financial management framework is to protect ETLIFE's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

ETLIFE has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

ETLIFE has a risk balancing approach and follows the process of risk evaluation, monitoring and control. ETLIFE has structured and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

ETLIFE continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of ETLIFE's risk management framework. This is supplemented with the clear organisational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees.

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that ETLIFE is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that ETLIFE maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ETLIFE are subject to regulatory requirement within the jurisdiction it operates.

Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that ETLIFE faces, due to the nature of its investments and liabilities, is interest rate risk. ETLIFE manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of ETLIFE's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

ETLIFE's ALM is:

- Integrated with the management of the financial risks associated with ETLIFE's other financial assets and liabilities not directly associated with insurance and investment liabilities.
- As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

Insurance risk

ETLIFE's main lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). Company has presence in Non-Participating Health (Individual), Non-participating Non-linked Variable Insurance (Company), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, ETLIFE underwrites risks and provides financial protection. In doing so, ETLIFE is exposed to various risks.

The principal risk, ETLIFE faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of ETLIFE is to ensure that sufficient reserves are available to cover these liabilities.

ETLIFE has developed a risk strategy to manage the risks appropriately. ETLIFE's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. ETLIFE mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

a. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:

ETLIFE to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are those contracts where ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, ETLIFE classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

The main Insurance Risks that ETLIFE is exposed to are as follows:

(i) Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

(ii) Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected

(iii) Investment Risk – Risk of loss arising from actual returns being different than expected

(iv) Expense Risk – Risk of loss arising from expense experience being different than expected

(v) Reinsurance Risk – The Company enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer

(vi) Concentration Risk – The Company faces concentration Risk by selling business to specific geography or by writing only single line business etc

Control Measures:

ETLIFE has set up Risk Management framework to continuously monitor ETLIFE's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ETLIFE has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim pay-outs.

ETLIFE has been taking efforts so as to mitigate concentration risk through diversification however ETLIFE may still be exposed to channel concentration risk as ETLIFE is in 8^{th} year of operation and all the channels are not yet fully developed. ETLIFE has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates ETLIFE from impact of catastrophic risk.

ETLIFE has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. ETLIFE has a detailed claims processing manual in place. Complicated and large claims are referred to ETLIFE's Claims Committee

56.6. Excessive risk concentration

Group's diversified business model acts as an inherent mechanism to avoid excessive concentrations of risk.

Single and Group level borrower limits for wholesale lending and program level limits for retail lending have been defined as a proactive risk measure to avoid excess credit concentration. Business risk team monitor these limits as part of its regular monitoring activity. Additionally, the risk team also keeps track of Group, Industry, Collateral, Geography (for retail) level exposure concentrations. These concentrations are reviewed as part of monthly risk review meetings and also discussed in the Credit Committee, so as to avoid further exposures or reduce exposures to sector/industry/group/geography under stress.

On the trading portfolio, limit structures have been put in place to address potential concentration risks within each trading portfolio. Any exposure beyond the approved limits and losses exceeding the VaR limits gets reported as an Exception to the Global Risk Committee and is monitored by the group and business risk teams.

The Company has a Board approved Risk Management Policy. The Company has a detailed claims processing manual in place,

56.7. Credit risk

Credit risk is the risk of financial loss the Group may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Group 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 Group.

The Group manages its credit risk through a multi-layered approach as given below

1) Review by the Board Risk and Global Risk Committee
2) The Investment Committees (IC) for approving all credit related decisions, beyond certain levels delegated to Credit Committees. Further, individual loan specific limits as well as concentration limits are also approved by the IC and reviewed on a periodic basis
3) Group risk team is responsible for industry and portfolio level monitoring and stress testing
4) Business risk does day to day client level monitoring
5) Independent verification of all client accounts, adherence to policies and frameworks are carried out by internal audit team.

Counterparty, client assessment is done before any exposure is taken. Assessment covers all the aspects of risk like Borrower profile, financials, and adequacy of collateral, promoter strength, repayment capability and cash flow generation. Discussions are held with independent risk and compliance teams both at Business and Group level before the credit proposals are put forward to the Committees for approval. Group has committee based approval process mechanism to ensure high exposures are approved with adequate representation from Compliance, Credit, Legal and other relevant teams so as to get a three sixty degree view on the proposal and there is no biasness.

The Group has separate credit origination and appraisal processes for wholesale, distressed and retail segments. For wholesale and distressed segment, the Group adopts underwriting standards for different client segment based on risk parameter and availability of security. For Retail segment, Group adopts underwriting standards both at product and portfolio level.

The Group uses Early Warning Signal (EWS) framework to identify risks at nascent stage. The objective is to classify the credit book on severity of risk- standard, early stage, mid stage and high stress. The classification of risk is done basis inputs from financial and non-financial parameter. An actionable matrix is defined, based on severity of the risk.

Credit monitoring is very important part of managing credit risk. Accordingly, the Group has dual layered independent monitoring of credit exposures and associated risks. A team of experienced and competent professionals, at business level as well as group level, identify and monitor these risks on an on-going basis and evolve processes/systems to monitor and control the same to keep the risks to minimum levels. On-going monitoring by them helps in identifying the risks at an early stage and taking time bound action to mitigate those risks.

Further, counterparty settlement risk associated in our broking business is managed by maintaining sufficient liquid collateral. We have well established real time limit utilisation monitoring process to ensure cover is sufficient at any given point of time.

Asset quality review is also performed on a regular basis by the Global Risk Committee – the apex body for all risk related decisions. Credit Portfolio Health Check is also presented to the Board Risk Committee on a quarterly basis.

The Group applies the expected credit loss model for recognising impairment loss. For the purpose of measuring lifetime expected credit loss (‘ECL’) the Company has used a practical expedient as permitted under Ind AS 109. This 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 109. Accordingly, the loans are classified into various stages for different type of business. For non-distress credit business they are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. Further, ECL also takes into account forward looking factors like GDP growth, interest rates etc. along with historical trends.

The Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used

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 (or credit-adjusted EIR for purchased or originated credit impaired financial assets). Expected Credit Loss computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- An unbiased and probability weighted amount that evaluates a range of possible outcomes;
- 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;
- The 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 will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Group does internal grading that is based on days past due (dpd) as specified below

Internal rating grade	Internal grading description
Performing	
High grade	0 dpd and 1 to 30 dpd
Standard grade	31 to 90 dpd
Non-performing	
Individually impaired	90+ dpd

Significant increase in credit risk (SICR)

Group 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 form 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. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Historical DPD data is used to calculate historic default rates for each portfolio. This is done by using transition matrix which are calculated by assessing the transition from the one DPD state to the default DPD state 12 months from the cohort date.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding at NPA was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

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 Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Group provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount Undrawn Credit Line = Difference between the total amount which the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

(Currency: Indian rupees in millions)

Purchased or originated credit impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

Forward looking adjustments

A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

To fulfil the above requirement Group has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the group formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing: External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters. Macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average.

Probability weighted scenario creations: To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between marco-economic variables and credit risk and credit losses.

The significant economic parameters scenarios are as below:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Group has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past 5 years.

56.7.1.Overview of modified and forborne loans

From a risk management point of view, once an asset is forborne or modified, the Group's special department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period, with the related modification loss suffered by the Group.

Particulars	2018-19
Amortised costs of financial assets modified during the period	**1,180.97**
Net modification loss	**5.64**

(Currency: Indian rupees in millions)

56.7.2.Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal grading system and year-end stage classification are further disclosed in Note 13.1.

Industry analysis – Risk concentration for 31 March 2019

Components	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Services	Others	Total
Cash and bank balances	64,554.26	-	-	-	-	-	-	-	64,554.26
Derivative financial instruments	1,940.90	-	-	-	-	-	-	-	1,940.90
Stock in trade	11,061.59	27,552.72	339.24	19.82	7.55	16.05	139.69	-	39,136.66
Trade receivables	15,867.32	-	2,830.11	4,072.12	1,254.79	-	3,147.85	367.87	27,540.06
Loans	35,273.08	-	25,223.20	1,56,879.37	1,40,774.54	1,244.22	19,349.45	5,339.24	3,84,083.10
Investments	375.53	14,679.80	37,990.09	2,513.34	27,786.67	-	1,296.19	3,348.85	87,990.47
Other financial assets	8,005.59	835.46	-	558.61	224.83	47.55	264.45	62.02	9,998.51
Total	1,37,078.27	43,067.98	66,382.64	1,64,043.26	1,70,048.38	1,307.82	24,197.63	9,117.98	6,15,243.96
Other Commitments	486.27	-	-	805.21	958.14	-	-	-	2,249.62

Industry analysis – Risk concentration for 31 March 2018

Components	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Services	Others	Total
Cash and bank balances	45,617.78	-	-	-	-	-	-	-	45,617.78
Derivative financial instruments	8,577.89	-	-	-	-	-	-	-	8,577.89
Stock in trade	15,688.70	31,069.83	725.00	31.01	15.62	43.34	390.74	17.00	47,981.24
Trade receivables	6,314.13	-	2,556.68	5,033.45	789.47	-	284.53	15,115.10	30,093.36
Loans	35,958.65	-	30,145.39	1,45,383.19	1,30,287.81	2,001.17	27,912.67	12,701.78	3,84,390.66
Investments	6,046.93	10,431.70	33,978.90	2,274.06	20,816.67	399.25	2,386.88	2,537.02	78,871.41
Other financial assets	9,065.03	46.81	-	129.95	-	-	540.84	22.51	9,805.14
Total financial assets	1,27,269.11	41,548.34	67,405.97	1,52,851.66	1,51,909.57	2,443.76	31,515.66	30,393.41	6,05,337.48
Other commitments	373.27	-	-	646.68	2,134.10	-	-	-	3,154.05

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Industry analysis – Risk concentration for 1 April 2017

Components	Financial services	Government	Manufacturing	Retail and wholesale	Construction	Oil & gas	Services	Others	Total
Cash and bank balances	37,575.04	-	-	-	-	-	-	-	37,575.04
Derivative financial instruments	1,416.70	-	-	-	-	-	-	-	1,416.70
Stock in trade	11,520.38	21,703.99	1,659.71	35.17	645.91	997.12	1,323.79	1,153.93	39,040.00
Trade receivables	2,683.15	-	1,899.57	3,576.92	917.04	-	377.56	4,535.11	13,989.35
Loans	24,508.27	-	36,022.75	99,612.77	79,084.60	1,236.99	20,440.72	7,675.49	2,68,581.59
Investments	4,500.69	6,306.85	25,231.68	990.36	16,163.92	19.73	770.35	4,170.70	58,154.28
Other financial assets	7,533.73	-	-	93.21	-	-	493.84	224.07	8,344.85
Total	89,737.96	28,010.84	64,813.71	1,04,308.43	96,811.47	2,253.84	23,406.26	17,759.30	4,27,101.81
Other Commitment	395.71	-	-	269.55	3,140.63	-	-	-	3,805.89

(Currency: Indian rupees in millions)

56.7.3. Collateral and other credit enhancements

The tables on the following pages show the maximum exposure to credit risk by class of financial asset.

	Maximum exposure to credit risk			
	31 March 2019	31 March 2018	1 April 2017	Principal type of collateral
Financial assets				
Cash collateral on securities borrowed and reverse repurchase agreement				
Loans:				
Retail Loans and Wholesale loans	**3,61,815.94**	3,71,554.88	2,60,935.78	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Row house, Office Space, Flats,tangible assets and Commodities.
Distressed assets	**25,982.20**	17,422.01	11,444.29	Tangible assets
Other credits	**193.43**	44.18	21.29	
Trade receivables	**29,750.94**	32,418.52	15,734.20	Tangible assets and agriculture stock
Debt instruments at amortised cost	**569.80**	936.98	626.93	Government security and Book debts
Total financial assets at amortised cost	**4,18,312.31**	4,22,376.57	2,88,762.49	
Derivative financial instruments	**1,940.90**	8,577.89	1,416.70	Margin money
Financial assets at FVTPL	**96,080.06**	88,121.52	67,131.02	Tangible assets
Financial instrument designated at fair value through profit or loss	**5,361.13**	3,622.62	2,021.57	Tangible assets and Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Total financial instruments at fair value through profit or loss	**1,03,382.09**	1,00,322.03	70,569.29	
Debt instruments at fair value through OCI	**12,826.50**	14,712.59	7,229.70	Government security and Book debts
Total debt instruments at fair value through OCI	**12,826.50**	14,712.59	7,229.70	
Other commitments (max exposure)	**21,884.04**	46,692.11	32,427.10	Property, book receivables, Tangible Assets, Equity Shares, Mutual Fund units, Land, Office Space, Flats, Bungalow, Pent house, Row house and Commodities.
Total	**5,56,404.94**	5,84,103.30	3,98,988.58	

(Currency: Indian rupees in millions)

56.7.4. Fair value of collateral held for stage 3 assets

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

As at 31 March 2019

	Maximum exposure to credit risk (carrying amount before ECL)	**Associated ECL**	**Carrying amount**	**Fair value of collateral**
Financial assets				
Loans:				
Retail and wholesale loans	35,819.48	5,538.52	30,280.96	47,250.85
Distressed assets	-	-	-	-
Total financial assets at amortised cost	35,819.48	5,538.52	30,280.96	47,250.85
Debt instruments at fair value through OCI	-	-	-	-
Total	35,819.48	5,538.52	30,280.96	47,250.85
Loan commitments	84.45	1.87	82.58	120.74
Financial guarantee contracts	-	-	-	-
Total	35,903.93	5,540.39	30,363.54	47,371.59

As at 31 March 2018

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Retail and wholesale Loans	22,999.68	4,213.08	18,786.60	24,364.89
Distressed assets	-	-	-	-
Total financial assets at amortised cost	22,999.68	4,213.08	18,786.60	24,364.89
Debt instruments at fair value through OCI	-	-	-	-
Total	22,999.68	4,213.08	18,786.60	24,364.89
Loan commitments	0.53	0.06	0.47	0.74
Financial guarantee contracts	-	-	-	-
Total	23,000.21	4,213.14	18,787.07	24,365.63

(Currency: Indian rupees in millions)

As at 1 April 2017

Financial assets	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Loans:	-	-	-	-
Retail and wholesale Loans	16,758.59	3,189.41	13,569.18	17,933.20
Distressed assets	-	-	-	-
Total financial assets at amortised cost	16,758.59	3,189.41	13,569.18	17,933.20
Debt instruments at fair value through OCI	-	-	-	-
Total	16,758.59	3,189.41	13,569.18	17,933.20
Loan commitments	47.80	-	47.80	-
Financial guarantee contracts	-	-	-	-
Total	16,806.39	3,189.41	13,616.98	17,933.20

56.7.5 Margin received from clients

Particulars		**31 March 2019**	31 March 2018	1 April 2017
Cash margin	A	**25,948.18**	18,030.91	9,444.49
Non cash margin				
Securities*		**40,284.54**	39,467.51	26,303.43
Fixed deposits		**12,957.80**	10,882.43	12,957.80
Bank guarantee		**3,030.90**	1,949.40	3,030.90
Total non cash margin	B	**56,273.24**	52,299.34	42,292.13
Total margin received	(A+B)	**82,221.42**	70,330.25	51,736.62

* Securities received as non cash margin from clients as collateral are held in the a subsidiary's client demat account

56.8 Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, Edelweiss has ensured maintenance of a Liquidity Cushion in the form of Fixed Deposits, Mutual Funds, Cash, G-Sec, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 10-12% 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, Retail issue, Mutual Funds, ECB, Sub Debt etc to maintain a healthy mix.

Group 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. A detailed set of activities have been defined to be executed during stress scenario

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

56.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities, financial assets, derivatives and financial commitments as at 31 March.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturiy with respect to financial liabilities is based on the earliest date on which the Group can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

As at 31 March 2019

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	17,059.64	2,319.86	451.61	1.93	-	19,833.04
Borrowings (other than debt securities)	41,640.79	21,588.57	62,808.91	18,266.27	77,743.48	2,22,048.02
Debt securities	31,681.87	18,157.73	51,627.87	63,811.49	1,43,572.04	3,08,851.00
Subordinated financial liabilities	421.91	22.20	1,112.65	455.30	29,983.42	31,995.48
Deposits	46.38	1,390.38	-	-	-	1,436.76
Other financial liabilities	33,227.52	1,687.86	740.26	2,758.75	3,284.31	41,698.70
Total undiscounted non-derivative financial liabilities	1,24,078.11	45,166.60	1,16,741.30	85,293.74	2,54,583.25	6,25,863.00

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	53,872.50	3,441.15	3,009.61	536.92	5,377.73	66,237.91
Stock-in-trade	24,316.39	5,276.43	17,245.57	17.54	-	46,855.93
Trade receivables	15,796.82	11,008.57	1,196.56	1,618.04	-	29,619.99
Loans	40,185.92	18,427.12	65,846.92	59,742.59	3,70,619.33	5,54,821.88
Investments at fair value through profit or loss	4,321.13	1,629.71	6,096.66	18,158.41	26,328.97	56,534.88
Investments at fair value through profit or loss pledged as collateral	12,104.47	2,083.43	1,822.18	7,773.95	30,144.29	53,928.32
Investments at designated fair value through profit or loss	257.78	166.82	434.22	1,002.78	10,774.09	12,635.69
Investments at FVOCI	513.89	195.12	817.93	3,711.83	30,921.84	36,160.61
Investments at FVOCI pledged as collateral	-	-	-	-	-	-
Investments at amortised cost	583.04	3.87	-	1,500.01	0.00	2,086.92
Investments at amortised cost pledged as collateral	-	-	-	-	-	-
Other financial assets	13,979.52	2.50	2,038.67	573.11	4,648.60	21,242.40
Total undiscounted non-derivative financial assets	1,65,931.46	42,234.72	98,508.32	94,635.18	4,78,814.85	8,80,124.53

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Derivatives	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	**(299.09)**	**-**	**-**	**-**	**-**	**(299.09)**
Other net settled derivatives	**(347.96)**	**(192.82)**	**(316.87)**	**(68.41)**	**35.30**	**(890.76)**
Total	**(647.05)**	**(192.82)**	**(316.87)**	**(68.41)**	**35.30**	**(1,189.85)**

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	**4,570.76**	**3,115.50**	**42,206.78**	**838.20**	**2,101.49**	**52,832.73**

The Group has undrawn lines of credit available aggregating ₹ 16,410.14 million as at 31 March 2019 to meet any possible liquidity shortfall.

As at 31 March 2018

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	11,780.34	4,547.90	301.96	0.05	-	16,630.25
Borrowings (other than debt securities)	56,724.87	14,364.99	48,016.72	28,126.39	96,169.22	2,43,402.19
Debt securities	55,975.39	26,573.32	47,948.06	58,645.40	1,11,581.04	3,00,723.21
Subordinated financial liabilities	45.89	22.20	205.00	455.70	31,329.09	32,057.88
Deposits	1,000.00	3,399.94	-	-	-	4,399.94
Other financial liabilities	21,347.79	1,026.36	620.32	918.08	1,240.81	25,153.36
Total undiscounted non-derivative financial liabilities	1,46,874.28	49,934.71	97,092.06	88,145.62	2,40,320.16	6,22,366.83

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	38,043.08	489.01	2,937.45	667.91	6,244.37	48,381.82
Stock-in-trade	36,714.63	9,203.30	9,619.35	415.00	5,866.21	61,818.49
Trade receivables	17,507.32	10,714.26	1,182.45	2,759.24	-	32,163.27
Loans	39,749.03	13,491.04	69,420.55	64,812.18	3,23,458.26	5,10,931.06
Investments at fair value through profit or loss	4,696.43	3,662.65	7,939.86	16,195.26	25,304.72	57,798.92
Investments at fair value through profit or loss pledged as collateral	1,812.32	1,812.32	3,624.63	7,210.82	27,343.76	41,803.85
Investments at designated fair value through profit or loss	108.01	18.04	197.24	1,119.46	10,458.32	11,901.07
Investments at FVOCI	3,312.00	105.75	1,677.82	3,176.73	30,372.76	38,645.06

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Investments at FVOCI pledged as collateral	-	-	-	-	-	-
Investments at amortised cost	1,056.48	-	-	1,500.01	0.00	2,556.49
Investments at amortised cost pledged as collateral	-	-	-	33.71	-	33.71
Other financial assets	11,125.63	1,610.71	501.98	288.63	2,049.39	15,576.34
Total undiscounted non-derivative financial assets	1,54,124.93	41,107.08	97,101.33	98,178.95	4,31,097.79	8,21,610.08

Derivatives	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	5,522.32	-	-	-	-	5,522.32
Other net settled derivatives	5.27	-	(257.73)	12.95	42.45	(197.06)
Total	5,527.59	-	(257.73)	12.95	42.45	5,325.26

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	856.28	4,410.56	49,301.32	685.70	3,796.17	59,050.03

The Group has undrawn lines of credit available aggregating ₹ 9,709.83 million as at 31 March 2018 to meet any possible liquidity shortfall.

As at 1 April 2017

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	10,676.38	10,452.80	163.14	0.05	-	21,292.37
Borrowings (other than debt securities)	53,406.13	9,469.59	20,013.83	17,762.21	49,470.15	1,50,121.91
Debt securities	87,160.49	4,065.77	44,282.89	42,843.41	71,729.99	2,50,082.55
Subordinated financial liabilities	466.03	-	880.81	136.20	24,831.89	26,314.93
Deposits	2,000.00	-	-	-	-	2,000.00
Other financial liabilities	10,492.66	382.23	674.01	1,535.62	2,059.16	15,143.68
Total undiscounted non-derivative financial liabilities	1,64,201.69	24,370.39	66,014.68	62,277.49	1,48,091.19	4,64,955.44

Notes to the consolidated financial statements *(Continued)*
(Currency: Indian rupees in millions)

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	44,275.72	858.70	3,112.22	736.88	6,498.50	55,482.02
Stock-in-trade	39,597.40	7,041.91	2.05	3.23	4,305.39	50,949.98
Trade receivables	6,514.05	4,895.27	407.23	2,506.60	1,014.60	15,337.75
Loans	46,410.39	7,294.32	50,176.95	29,584.64	2,06,699.11	3,40,165.41
Investments at fair value through profit or loss	1,589.38	641.87	2,511.24	14,421.28	32,862.07	52,025.84
Investments at fair value through profit or loss pledged as collateral	321.33	321.33	642.66	3,169.91	10,501.13	14,956.36
Investments at designated fair value through profit or loss	107.71	10.68	109.41	1,220.89	10,544.74	11,993.43
Investments at FVOCI	2,583.98	49.69	341.13	2,600.44	31,673.36	37,248.60
Investments at FVOCI pledged as collateral	-	-	-	-	-	-
Investments at amortised cost	233.21	-	-	1,533.72	1,664.44	3,431.37
Investments at amortised cost pledged as collateral	-	-	-	-	-	-
Other financial assets	9,916.22	4.25	160.34	296.09	311.02	10,687.92
Total undiscounted non-derivative financial assets	1,51,549.39	21,118.02	57,463.23	56,073.68	3,06,074.36	5,92,278.68

Derivatives	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	(555.90)	-	-	-	-	(555.90)
Other net settled derivatives	(392.14)	-	-	0.19	14.20	(377.75)
Total	(948.04)	-	-	0.19	14.20	(933.65)

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	1,822.97	809.82	3,861.02	1,032.80	4,479.68	12,006.29

The Group has undrawn lines of credit available aggregating ₹ 23,117.32 million as at 1 April 2017 to meet any possible liquidity shortfall.

(Currency: Indian rupees in millions)

56.9. Market Risk:

Market risk is the risk which can affect the Group's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters. The Group separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk

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.

Foreign exchange risk – Our foreign exposure is limited to capital investment in our Group entities outside India and profits/loss generated by these entities. The Treasury Unit aggregates the foreign exchange exposure emerging out these outflows/inflows and the same is hedged to ensure we do not run any foreign exchange risk in our books. Positions are regularly monitored by the Treasury Unit and rebalanced based on the inflow and outflow of funds.

Equity price risk – The Treasury and Balance Sheet Management Units effectively evaluates various risks involved in underlying assets in trading and non-trading books respectively

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 Group'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 Group's statement of profit and loss and equity. The sensitivity to profit before tax is the effect of the assumed changes in interest rates on the profit before tax for the year, based on the floating rate financial assets and financial liabilities held at reporting date. Thus, the sensitivity analysis has been prepared assuming the amount of the floating-rate financial liability and financial assets outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI, including the effect at reporting date for the effects of the assumed changes in interest rates.

Currency of item	**2018-19**					
	Increase in basis points	**Effect on profit before tax**	**Effect on Equity**	**Decrease in basis points**	**Effect on profit before tax**	**Effect on Equity**
INR	**25**	**(217.41)**	**(304.91)**	**25**	**217.41**	**304.91**
US dollar	**25**	**(51.43)**	**-**	**25**	**51.43**	**-**

Currency of item	2017-18					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(327.94)	(198.72)	25	327.94	198.72
US dollar	25	(21.11)	-	25	21.11	-

Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

(Currency: Indian rupees in millions)

The table below indicates the currencies to which the Group had significant exposure at the end of the reported periods.

Currency	2018-19					
	Increase in exchange rate (%)	**Effect on profit before tax**	**Effect on Equity**	**Decrease in exchange rate (%)**	**Effect on profit before tax**	**Effect on Equity**
US dollar	**5**	**213.25**	**-**	**5**	**(213.25)**	**-**
INR*	**5**	**0.39**	**-**	**5**	**(0.39)**	**-**
Others	**5**	**12.60**	**-**	**5**	**(12.60)**	**-**

Currency	2017-18					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	5	(374.46)	-	5	374.46	-
INR*	5	48.36	-	5	(48.36)	-
Others	5	(115.47)	-	5	115.47	-

* This is on account of items denominated in Indian Rupees held by certain foreign companies in the Group having functional currency other than INR

Equity Price risk:

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

Impact on	2018-19					
	Increase in equity price (%)	**Effect on profit before tax**	**Effect on Equity**	**Decrease in equity price (%)**	**Effect on profit before tax**	**Effect on Equity**
Derivatives	**5**	**26.64**	**-**	**5**	**(26.64)**	**-**
Others	**5**	**426.69**	**-**	**5**	**(426.69)**	**-**

Impact on	2017-18					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(2,434.12)	-	5	2,434.12	-
Others	5	710.30	-	5	(710.30)	-

Index price risk:

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

Impact on	2018-19					
	Increase in index price (%)	**Effect on profit before tax**	**Effect on Equity**	**Decrease in index price (%)**	**Effect on profit before tax**	**Effect on Equity**
Derivatives	**5**	**76.20**	**-**	**5**	**(76.20)**	**-**
Others	**5**	**-**	**-**	**5**	**-**	**-**

(Currency: Indian rupees in millions)

Impact on	2017-18					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	2,969.28	-	5	(2,969.28)	-
Others	5	-	-	5	-	-

Other price risk:

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

Impact on	2018-19					
	Increase in price (%)	**Effect on profit before tax**	**Effect on Equity**	**Decrease in price (%)**	**Effect on profit before tax**	**Effect on Equity**
Security receipts of ARC trusts	5	21.40	-	5	(21.40)	-
Units of AIFs and Trusts	5	22.29	-	5	(22.29)	-
Others	5	752.82	7.59	5	(753.27)	(7.59)

Impact on	2017-18					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5	0.55	-	5	(0.55)	-
Units of AIFs and Trusts	5	3.11	-	5	(3.11)	-
Others	5	135.33	208.05	5	(135.23)	(208.05)

57. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

Exemption applied

1 Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017.

2 Impairment of financial assets

The Group 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 Group 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.

(Currency: Indian rupees in millions)

3 Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

4 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

5 Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

6 Cumulative translation differences on foreign operations

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

7 Share-based payments

The Group has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition date to Ind AS.

Equity reconciliation:

	01 April 2017	31 March 2018
Total equity as reported under Indian GAAP	**52,879.09**	**77,624.33**
Ind AS adjustments increasing / (decreasing) net worth as reported under Indian GAAP:		
Effective interest rate on financial assets	**132.73**	(221.80)
Effective interest rate on financial liabilities	**391.27**	552.00
Expected credit loss provision	**(2,595.57)**	(3,248.60)
Fair valuation of financial assets and liabilities	**1,728.81**	82.50
Consolidation of trusts and associates	**1,359.10**	2,513.56
Redeemable preference shares	**(850.05)**	(850.10)
Capital reserve gross-up	**1,521.71**	1,543.85
Others	**(146.75)**	144.22
Tax effect on above adjustments	**(333.60)**	122.74
Total equity as per Ind AS	**54,086.74**	**78,262.70**

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Profit reconciliation for the year ended 31 March 2018

Particulars	31 March 2018
Profit for the year as reported under Indian GAAP	**8,623.13**
Ind AS adjustments increasing / (decreasing) profit as reported under Indian GAAP:	
Effective interest rate on financial assets	(459.41)
Effective interest rate on financial liabilities	(208.76)
Fair valuation of financial instruments and fees in ARC business	(231.21)
Consolidation of trusts and associates	973.36
Dividend on redeemable preference shares	(101.44)
ESOP fair value charge	(156.97)
Expected credit loss provision	(587.22)
Others	36.19
Tax effect on Ind AS adjustments	482.87
Profit for the year as per Ind AS	**8,370.54**
Other Comprehensive Income for the year as per Ind AS	(323.55)
Total Comprehensive Income for the year as per Ind AS	**8,046.99**

1. **Effective interest on financial assets**

   Under Indian GAAP, processing fee income was recognised upfront while under Ind AS, such income are included in the initial recognition amount of financial asset, since its an integral part of instrument, hence recognised as interest income using effective interest method over the period of the financial asset. Impact to net-worth due to Income deferral was ₹ 607.20 million and ₹ 1,085.70 million as on 1 April 2017 and 31 March 2018 respectively.

   Under Indian GAAP, interest income on Non performing Assets (NPA) was recognised on cash basis. However, under Ind AS interest income is recognised on credit impaired assets by applying the EIR on amortised cost. As a result of recognising interest income on stage III loans, the net-worth earnings as on transition date has increased by ₹ 696.70 million and as on 31 March 2018, ₹ 791.30 million.

2. **Effective interest on financial liabilities**

   Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial liabilities, since transaction cost is an integral part of borrowings, recognised as interest expense using the effective interest method.

3. **Expected credit loss provision**

   Under Indian GAAP, NPA provisioning was computed based on the Reserve Bank of India (RBI) guidelines. Under Ind AS, the impairment is computed based on stage wise approach applied through ECL model.

4. **Fair value of financial assets and financial liabilities**

   Under Indian GAAP, the Group measured trading financial assets by recognising unrealised losses and ignoring any unrealised gains. However, under Ind AS, the Group has classified such trading investments at fair value through profit or loss (FVTPL). Ind AS mandates such investments to be measured initially and subsequently at fair value at each reporting date. Any difference between carrying value and fair values being recognised in statement of Profit and Loss.

   At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings, net of related deferred taxes. This has increased net worth of Group by ₹ 1,728.81 million.

   During the financial year 2017-18, Group has issued put option over equity in a subsidiary to the holders of non-controlling interest, which has resulted into recognition of financial liability at fair value of ₹ 1,210.00 million, in line with the requirements of Ind AS

(Currency: Indian rupees in millions)

The Group has issued benchmarked inked instrument and is required to segregate the component of host contract and embedded derivative within it to effect appropriate accounting treatment under Ind AS. The Group has accordingly carried out the measurement and recognised reversal of finance cost (pre tax) of ₹ 49.51 million in the transition reserve as at April 1, 2017, and incremental finance cost (pre tax) of ₹ 494.88 million and ₹ 576.89 million in the profit and loss for the financial years 2017-18 and FY 2018-19 respectively, in line with the requirement under Ind AS.

5. **Consolidation of entities**

Group has assessed definition of control as per Ind AS and based on revised definition of control identified few entities to be consolidated.

6. **Redeemable preference shares**

Group has reclassified preference shares from share capital under Indian GAAP to financial liability under Ind AS. This has consequently resulted in reduction of net worth by ₹ 850.50 million and ₹ 850.10 million in 2017 and 2018

7. **Capital reserves gross up**

Group has availed first time adoption exemption for business combination, thus as a first time adopter elected not to apply fair value accounting for past business combination. Under Indian GAAP, group has provided offset of goodwill with capital reserves, which now recognised on gross basis.

8. **Deferred tax impact:**

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. Under Ind AS, deferred taxes are recognised by application of balance sheet approach. All of the above discussed transitional adjustments results into recognition of deferred tax.

58. Composition of the Group

Sr. No.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at March 31, 2019	Proportion of ownership interest as at March 31, 2018	Proportion of ownership interest as at April 01, 2017
	Subsidiaries					
1	Edelweiss Securities Limited		India	**100.00%**	100.00%	100.00%
2	Edelweiss Finance & Investments Limited		India	**100.00%**	100.00%	100.00%
3	ECL Finance Limited	n	India	**100.00%**	100.00%	92.20%
4	Edelweiss Global Wealth Management Limited		India	**100.00%**	100.00%	100.00%
5	Edelweiss Insurance Brokers Limited		India	**100.00%**	100.00%	100.00%
6	Edelweiss Trustee Services Limited		India	**100.00%**	100.00%	100.00%
7	Edelcap Securities Limited		India	**100.00%**	100.00%	100.00%
8	Edelweiss Asset Management Limited	d	India	**100.00%**	100.00%	100.00%
9	ECap Equities Limited	a	India	**100.00%**	100.00%	100.00%
10	Edelweiss Broking Limited		India	**100.00%**	100.00%	100.00%
11	Edelweiss Trusteeship Company Limited		India	**100.00%**	100.00%	100.00%
12	Edelweiss Housing Finance Limited		India	**100.00%**	100.00%	100.00%

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Sr. No.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at March 31, 2019	Proportion of ownership interest as at March 31, 2018	Proportion of ownership interest as at April 01, 2017
13	Edelweiss Investment Adviser Limited		India	**100.00%**	100.00%	100.00%
14	EC Commodity Limited		India	**100.00%**	100.00%	100.00%
15	Edel Land Limited		India	**100.00%**	100.00%	100.00%
16	Edelweiss Custodial Services Limited		India	**100.00%**	100.00%	100.00%
17	Edel Investments Limited		India	**100.00%**	100.00%	100.00%
18	Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)	b, c	India	**100.00%**	100.00%	100.00%
19	Edelweiss Comtrade Limited		India	**100.00%**	100.00%	100.00%
20	Edel Finance Company Limited		India	**100.00%**	100.00%	100.00%
21	Edelweiss Retail Finance Limited		India	**100.00%**	100.00%	100.00%
22	Edelweiss Multi Strategy Fund Advisors LLP		India	**100.00%**	100.00%	100.00%
23	Edelweiss Resolution Advisors LLP (formerly known as Edelweiss Wealth Advisors LLP)		India	**100.00%**	100.00%	100.00%
24	Edelweiss Holdings Limited		India	**100.00%**	100.00%	100.00%
25	Edelweiss General Insurance Company Limited		India	**100.00%**	100.00%	100.00%
26	Edelweiss Finvest Private Limited		India	**100.00%**	100.00%	100.00%
27	Edelweiss Securities (IFSC) Limited		India	**100.00%**	100.00%	100.00%
28	Alternative Investment Market Advisors Private Limited	l	India	**100.00%**	100.00%	0.00%
29	Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited)		India	**100.00%**	100.00%	100.00%
30	Edelweiss Securities and Investment Private Limited (formerly known as Magnolia Commodities Services Private Limited)		India	**100.00%**	100.00%	100.00%
31	Edelweiss Securities (Hong Kong) Private Limited		Hong Kong	**100.00%**	100.00%	100.00%
32	EC Global Limited		Mauritius	**100.00%**	100.00%	100.00%
33	EC International Limited		Mauritius	**100.00%**	100.00%	100.00%
34	EAAA LLC		Mauritius	**100.00%**	100.00%	100.00%
35	EFSL International Limited	p	Mauritius	**100.00%**	100.00%	100.00%
36	Edelweiss Capital (Singapore) Pte. Limited		Singapore	**100.00%**	100.00%	100.00%
37	Edelweiss Alternative Asset Advisors Pte. Limited		Singapore	**100.00%**	100.00%	100.00%
38	Edelweiss International (Singapore) Pte. Limited		Singapore	**100.00%**	100.00%	100.00%
39	Edelweiss Investment Advisors Private Limited		Singapore	**100.00%**	100.00%	100.00%
40	Aster Commodities DMCC		United Arab Emirates	**100.00%**	100.00%	100.00%
41	Edelweiss Financial Services (UK) Limited		United Kingdom	**100.00%**	100.00%	100.00%

(Currency: Indian rupees in millions)

Sr. No.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at March 31, 2019	Proportion of ownership interest as at March 31, 2018	Proportion of ownership interest as at April 01, 2017
42	Edelweiss Financial Services Inc.		United States of America	**100.00%**	100.00%	100.00%
43	Edelweiss Alternative Asset Advisors Limited		India	**95.00%**	95.00%	95.00%
44	EW Clover Scheme - 1		India	**100.00%**	100.00%	100.00%
45	Edelvalue Partners	o	India	**100.00%**	100.00%	100.00%
46	Edelgive Foundation		India	**100.00%**	100.00%	100.00%
47	Lichen Metals Private Limited		India	**100.00%**	100.00%	100.00%
48	EW India Special Assets Advisors LLC	q	Mauritius	**90.00%**	90.00%	90.00%
49	Edelweiss Private Equity Tech Fund		India	**88.90%**	88.90%	88.90%
50	Edelweiss Value and Growth Fund	m	India	**88.90%**	88.90%	0.00%
51	Edelweiss Asset Reconstruction Company Limited		India	**74.80%**	74.80%	74.80%
52	EW Special Opportunities Advisors LLC		Mauritius	**67.00%**	67.00%	67.00%
53	Edelweiss Tokio Life Insurance Company Limited		India	**51.00%**	51.00%	51.00%
54	Allium Finance Private Limited	e	India	**70.00%**	-	-
55	Retra Ventures Private Limited	f	India	**70.00%**	-	-
56	Edelweiss India Capital Management (upto October 12, 2018)	g	Mauritius	**0.00%**	100.00%	100.00%
57	Cross Border Synergy Pte. Limited (formerly known as Edelweiss Commodities Pte. Limited) (upto December 06, 2017)	i	Singapore	**0.00%**	0.00%	100.00%
58	Edelweiss Tarim Urunleri Anonim Sirketi (upto February 27, 2018)	h	Turkey	**0.00%**	0.00%	100.00%
59	EW SBI Crossover Advisors LLC (upto July 27, 2017)	j	India	**0.00%**	0.00%	100.00%

Group stake in trusts

	Trust Name	Country of Incorporation	31 March 2019	31 March 2018	1 April 2017
1	EARC SAF - 2 Trust	India	**100%**	85%	85%
2	EARC Trust - SC 6	India	**100%**	100%	100%
3	EARC Trust - SC 7	India	**100%**	100%	100%
4	EARC Trust - SC 9	India	**100%**	100%	100%
5	EARC Trust - SC 102	India	**100%**	100%	100%
6	EARC Trust - SC 109	India	**50%**	50%	50%
7	EARC Trust - SC 112	India	**100%**	100%	100%
8	EARC Trust - SC 130	India	**100%**	100%	100%
9	EARC SAF - 3 Trust	India	**46%**	46%	46%
10	EARC Trust - SC 223	India	**100%**	100%	100%
11	EARC Trust - SC 229	India	**100%**	100%	100%
12	EARC Trust - SC 238	India	**100%**	100%	100%
13	EARC Trust - SC 245	India	**37%**	46%	58%

Notes to the consolidated financial statements *(Continued)*
(Currency: Indian rupees in millions)

Group stake in trusts

	Trust Name		Country of Incorporation	31 March 2019	31 March 2018	1 April 2017
14	EARC Trust - SC 251		India	**100%**	100%	100%
15	EARC Trust - SC 266		India	**100%**	100%	100%
16	EARC Trust - SC 262		India	**37%**	46%	-
17	EARC Trust - SC 263		India	**100%**	100%	-
18	EARC Trust - SC 293		India	**100%**	100%	-
19	EARC Trust - SC 297		India	**37%**	100%	-
20	EARC Trust - SC 308		India	**100%**	100%	-
21	EARC Trust - SC 314		India	**100%**	100%	-
22	EARC Trust - SC 325		India	**100%**	100%	-
23	EARC Trust - SC 329		India	**100%**	100%	-
24	EARC Trust - SC 331		India	**100%**	100%	-
25	EARC Trust - SC 306		India	**50%**	-	-
26	EARC Trust - SC 321		India	**100%**	-	-
27	EARC Trust - SC 334		India	**100%**	-	-
28	EARC Trust - SC 318		India	**100%**	-	-
29	EARC Trust - SC 332		India	**100%**	-	-
30	EARC Trust - SC 348		India	**100%**	-	-
31	EARC Trust - SC 349		India	**100%**	-	-
32	EARC Trust - SC 350		India	**50%**	-	-
33	EARC Trust - SC 352		India	**100%**	-	-
34	EARC Trust - SC 354		India	**50%**	-	-
35	EARC Trust - SC 357		India	**100%**	-	-
36	EARC SAF - 1 Trust		India	**100%**	-	-
37	EARC Trust - SC 298		India	**100%**	-	-
38	EARC Trust - SC 342		India	**100%**	-	-
39	EARC Trust - SC 347		India	**100%**	-	-
40	EARC Trust - SC 351		India	**100%**	-	-
41	EARC Trust - SC 360		India	**100%**	-	-
42	EARC Trust - SC 361		India	**100%**	-	-
43	EARC Trust - SC 363		India	**100%**	-	-
44	EARC Trust - SC 344		India	**100%**	-	-
45	EARC Trust - SC 370		India	**100%**	-	-
46	EARC Trust - SC 283		India	**-**	100%	-
47	EARF I - Scheme 5		India	**-**	45%	45%
48	EARC Trust - SC 57		India	**-**	100%	100%
49	EARC Trust - SC 327		India	**-**	100%	-
	Associates					
1	Allium Finance Private Limited	e	India	**-**	46.13%	46.13%
2	Aeon Credit Services India Private Limited (upto August 22, 2017)	k	India	**-**	-	25.00%

Notes:

a) With effect from 01 April 2017, Auris Corporate Centre Limited, Burlington Business Solutions Limited, Eternity Business Centre Limited, Olive Business Centre Limited and Serenity Business Park Limited have been merged with ECap Equities Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

b) With effect from 01 April 2017, Edel Commodities Limited and EFSL Trading Limited have been merged with EFSL Comtrade Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

c) With effect from 01 April 2017, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, EFSL Comtrade Limited, Edelweiss Fund Advisors Private Limited and Edelweiss Capital Markets Limited have been merged with Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by Regional director.

d) With effect from 01 April 2017, Edelweiss Multi Strategy Funds Management Private Limited, have been merged with Edelweiss Asset Management Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

e) With effect from 28 November 2018, Allium Finance Private Limited, formerly an associate, has become a subsidiary of the company and has been accordingly consolidated from the said date. The consideration paid for the step up acquisition is ₹ 627.27 millions and goodwill generated thereon is ₹ 195.18 millions.

f) With effect from 04 July 2018, Retra Ventures Private Limited became a subsidiary of the company and has been consolidated from the said date.

g) Edelweiss India Capital Management subsidiary has been wound up on 12 October 2018 and has not been consolidated from the said date.

h) Edelweiss Tarim Urunleri Anonim Sirketi a subsidiary has been wound up on 27 February 2018 and has not been consolidated from the said date.

i) With effect from 06 December 2017, Cross Border Synergy Pte. Limited (formerly known as Edelweiss Commodities Pte. Limited) ceased to be a subsidiary of the Company and has not been consolidated from the said date.

j) EW SBI Crossover Advisors LLC a subsidiary has been wound up on 27 July 2017 and has not been consolidated from the said date.

k) With effect from 22 August 2017, Aeon Credit Services India Private Limited ceased to be an associate of the Company and has not been consolidated from the said date.

l) With effect from 05 April 2017, Alternative Investment Market Advisors Private Limited became a subsidiary of the Company and has been consolidated from the said date.

m) With effect from 05 September 2017, Edelweiss Value and Growth Fund became a subsidiary of the Company and has been consolidated from the said date.

n) The Company acquired 7.8% stake in ECL Finance Limited (a 92.2% subsidiary) from the minority stakeholders on 20 September 2017. Consequently, ECL Finance Limited has become a wholly owned subsidiary of the Company and accordingly consolidated.

o) Dissolution of Edelvalue Partners:

Edelvalue Partners ('the Partnership Firm') came into force from 17 July 2009 vide Partnership Deed of even date. The period of the Partnership Firm is "at will". The Partnership Firm is registered with the Registrar of Firms, Hyderabad, South vide Firm Registration No. 1524 of 2009. Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited), Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited), and Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited) are the present partners of the Partnership Firm. The present office of the Firm is at 2nd Floor, M.B. Towers, Plot No.5, Road No.2, Banjara Hills, Hyderabad 500 034.

With the required consent of the Partners of the Firm, the Firm has been dissolved with effect from 25 March 2019 vide Deed of Dissolution of Partnership of even date. Under the dissolution basis of accounting, all assets and liabilities are measured at their net realisable values.

p) Liquidation of EFSL International: The Shareholders of the Company has passed the resolution for winding up of the Company on January 11, 2019. The Company has ceased to carry on business and is in the process of discharging in full its liabilities to all its known creditors and distributing its surplus assets. Consequently, in accordance with Ind AS 1, Presentation of financial statements the Company has changed the basis of preparing its financial statements from going concern to liquidation.

Under the liquidation basis of accounting, all assets and liabilities are measured at their net realisable values. Costs expected to be incurred during the winding up, including administrative costs and professional fees expected to be incurred in future periods until the winding up of the Company is completed, have been accrued. Provisions for contingent liabilities are accrued when the probability of loss is more likely than not. Contingent assets are not accrued unless receipt is virtually certain

q) Liquidation of EW India Special Assets Advisors LLC: The Company has ceased to carry on business and received liquidation confirmation from relevant authority on 1 April 2019. Consequently, in accordance with Ind AS 1, Presentation of financial statements the Company has changed the basis of preparing its financial statements from going concern to liquidation.

Under the liquidation basis of accounting, all assets and liabilities are measured at their net realisable values. Costs expected to be incurred during the winding up, including administrative costs and professional fees expected to be incurred in future periods until the winding up of the Company is completed, have been accrued. Provisions for contingent liabilities are accrued when the probability of loss is more likely than not. Contingent assets are not accrued unless receipt is virtually certain.

(Currency: Indian rupees in millions)

59. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive Income	Amount (₹ in Million)	As % of consolidated total comprehensive Income	Amount (₹ in Million)
Parent									
	Edelweiss Financial Services Limited	38.46%	33,516.01	10.34%	1,028.78	0.21%	0.82	9.96%	1,029.60
Subsidiaries									
	Indian								
1	Edelweiss Securities Limited	4.37%	3,804.11	7.98%	794.47	(0.68%)	(2.63)	7.66%	791.84
2	Edelweiss Finance & Investments Limited	2.12%	1,847.71	(0.04%)	(3.64)	0.03%	0.10	(0.03%)	(3.54)
3	ECL Finance Limited	44.17%	38,494.52	56.86%	5,658.83	(0.86%)	(3.30)	54.72%	5,655.53
4	Edelweiss Global Wealth Management Limited	0.11%	100.05	0.76%	75.51	(0.10%)	(0.39)	0.73%	75.12
5	Edelweiss Insurance Brokers Limited	0.40%	347.02	0.45%	44.90	(0.07%)	(0.27)	0.43%	44.63
6	Edelweiss Trustee Services Limited	0.00%	1.12	0.00%	0.24	0.00%	-	0.00%	0.24
7	Edelcap Securities Limited	1.65%	1,436.40	(3.47%	(345.80)	(0.20%)	(0.75)	(3.35%)	(346.55)
8	Edelweiss Asset Management Limited	1.79%	1,561.20	0.27%	26.75	(0.29%)	(1.11)	0.25%	25.64
9	ECap Equities Limited	3.38%	2,947.11	7.02%	698.27	0.15%	0.57	6.76%	698.84
10	Edelweiss Broking Limited	2.28%	1,991.01	(5.16%)	(513.65)	(2.28%)	(8.75)	(5.05%)	(522.40)
11	Edelweiss Trusteeship Company Limited	0.01%	4.50	0.00%	0.42	0.00%	-	0.00%	0.42
12	Edelweiss Housing Finance Limited	8.82%	7,688.95	6.28%	624.59	(0.36%)	(1.38)	6.03%	623.21
13	Edelweiss Investment Adviser Limited	(0.65%)	(567.55)	2.86%	284.43	0.03%	0.11	2.75%	284.54
14	EC Commodity Limited	0.47%	412.09	0.02%	2.04	0.04%	0.14	0.02%	2.18
15	Edel Land Limited	(0.15%)	(131.76)	(2.94%)	(292.44)	(0.01%)	(0.02)	(2.83%)	(292.46)
16	Edelweiss Custodial Services Limited	1.16%	1,010.90	8.00%	796.54	0.10%	0.39	7.71%	796.93
17	Edel Investments Limited	0.32%	276.47	0.63%	62.39	(0.03%)	(0.13)	0.60%	62.26
18	Edelweiss Rural & Corporate Services Limited	6.71%	5,852.01	13.46%	1,339.34	(1.06%)	(4.07)	12.92%	1,335.27
19	Edelweiss Comtrade Limited	0.04%	36.19	(0.28%)	(27.55)	(0.09%)	(0.34)	(0.27%)	(27.89)
20	Edel Finance Company Limited	1.85%	1,614.68	(0.78%)	(77.49)	0.00%	0.01	(0.75%)	(77.48)

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive Income	Amount (₹ in Million)	As % of consolidated total comprehensive Income	Amount (₹ in Million)
21	Edelweiss Retail Finance Limited	5.32%	4,632.02	3.40%	338.55	0.18%	0.68	3.28%	339.23
22	Edelweiss Multi Strategy Fund Advisors LLP	0.00%	2.63	(0.24%)	(24.18)	0.00%	-	(0.23%)	(24.18)
23	Edelweiss Resolution Advisors LLP	0.00%	1.60	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
24	Edelweiss Holdings Limited	0.18%	153.61	0.07%	7.25	0.00%	-	0.07%	7.25
25	Edelweiss General Insurance Company Limited	1.37%	1,194.30	(5.98%)	(594.66)	(0.10%)	(0.39)	(5.76%)	(595.05)
26	Edelweiss Finvest Private Limited	11.66%	10,164.97	17.16%	1,708.02	(0.32%)	(1.23)	16.51%	1,706.79
27	Edelweiss Securities (IFSC) Limited	0.14%	125.09	(0.18%)	(17.99)	2.27%	8.71	(0.09%)	(9.28)
28	Alternative Investment Market Advisors Private Limited	0.09%	80.90	0.02%	1.86	0.00%	(0.01)	0.02%	1.85
29	Edelweiss Securities Trading and Management Private Limited	0.51%	441.32	0.76%	75.71	0.00%	-	0.73%	75.71
30	Edelweiss Securities and Investment Private Limited	0.17%	150.85	1.48%	147.35	0.00%	-	1.43%	147.35
31	Edelweiss Alternative Asset Advisors Limited	(0.60%)	(526.19)	(0.51%)	(50.49)	0.00%	0.01	(0.49%)	(50.48)
32	EW Clover Scheme - 1	0.69%	599.99	(0.47%)	(46.64)	0.00%	-	(0.45%)	(46.64)
33	Edelvalue Partners	0.05%	46.62	0.27%	26.52	0.00%	-	0.26%	26.52
34	Edelgive Foundation	0.21%	186.01	0.55%	54.31	0.00%	-	0.53%	54.31
35	Lichen Metals Private Limited	0.30%	259.17	0.05%	5.34	0.00%	-	0.05%	5.34
36	Edelweiss Private Equity Tech Fund	0.42%	367.11	0.84%	83.64	0.00%	-	0.81%	83.64
37	Edelweiss Value and Growth Fund	1.12%	973.42	0.60%	60.09	0.00%	-	0.58%	60.09
38	Edelweiss Asset Reconstruction Company Limited	19.91%	17,349.31	43.71%	4,350.20	(0.12%)	(0.46)	42.08%	4,349.74
39	Edelweiss Tokio Life Insurance Company Limited	10.66%	9,292.67	(27.12%)	(2,698.40)	99.87%	383.62	(22.40%)	(2,314.78)
40	Allium Finance Private Limited	1.01%	879.81	0.33%	32.35	0.00%	-	0.31%	32.35
41	Retra Ventures Private Limited	0.03%	30.02	(0.07%)	(7.36)	0.00%	-	(0.07%)	(7.36)
	Foreign								
42	EC Global Limited	3.06%	2,666.13	(2.32%)	(230.57)	55.20%	212.03	(0.18%)	(18.54)
43	EC International Limited	(2.83%)	(2,468.86)	0.67%	66.94	(39.56%)	(151.95)	(0.82%)	(85.01)

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive Income	Amount (₹ in Million)	As % of consolidated total comprehensive Income	Amount (₹ in Million)
44	EAAA LLC	0.07%	62.66	(1.40%)	(139.18)	3.49%	13.39	(1.22%)	(125.79)
45	EFSL International Limited	0.00%	0.37	(0.42%)	(41.59)	(7.71%)	(29.63)	(0.69%)	(71.22)
46	EW India Special Assets Advisors LLC	0.00%	4.30	(0.01%)	(1.04)	0.09%	0.33	(0.01%)	(0.71)
47	EW Special Opportunities Advisors LLC	0.01%	8.13	(0.03%)	(3.21)	0.98%	3.77	0.01%	0.56
48	Edelweiss Capital (Singapore) Pte. Limited	0.09%	74.55	(2.48%)	(247.20)	1.25%	4.79	(2.35%)	(242.41)
49	Edelweiss Alternative Asset Advisors Pte. Limited	0.44%	387.36	2.72%	270.29	0.15%	0.56	2.62%	270.85
50	Edelweiss International (Singapore) Pte. Limited	1.56%	1,362.31	(5.08%)	(505.72)	34.29%	131.71	(3.62%)	(374.01)
51	Edelweiss Investment Advisors Private Limited	0.12%	101.53	0.10%	9.47	0.55%	2.11	0.11%	11.58
52	Aster Commodities DMCC	1.07%	934.55	(0.23%)	(22.83)	25.87%	99.37	0.74%	76.54
53	Edelweiss Financial Services (UK) Limited	0.03%	24.72	0.01%	1.38	(0.13%)	(0.49)	0.01%	0.89
54	Edelweiss Financial Services Inc.	0.10%	84.15	0.09%	9.43	1.12%	4.32	0.13%	13.75
55	Edelweiss Securities (Hong Kong) Private Limited	0.01%	5.31	(0.14%)	(14.09)	0.34%	1.29	(0.12%)	(12.80)
56	Controlled Trusts	3.62%	3,151.48	9.35%	930.33	0.00%	-	9.00%	930.33
	Associates (Investments as per the equity method)								
1	Allium Finance Private Limited	0.00%	-	0.42%	41.99	0.00%	-	0.41%	41.99
	Non-Controlling Interests	11.91%	10,380.11	4.94%	492.03	0.00%	189.22	4.76%	681.25
	Adjustments arising out of consolidation	(89.82%)	(78,276.86)	(43.14%)	(4,293.11)	(72.22%)	(466.62)	(44.22%	(4,759.73)
	Total	**100.00%**	**87,149.91**	**100.00%**	**9,951.66**	**100.00%**	**384.13**	**100.00%**	**10,335.79**

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

60. Key disclosures related to life insurance business

a. Life Insurance and Investment Contract Liability

Particulars	31-Mar-19				31-Mar-18			
	With DPF	**Linked Business**	**Others**	**Total gross liabilities**	With DPF	Linked Business	Others	Total gross liabilities
Insurance Contract Liability								
Life	**3,222.22**	**5,799.29**	**12,981.80**	**22,003.31**	2,207.56	3,417.23	9,543.16	15,167.95
Health	**-**	**-**	**38.97**	**38.97**	-	-	26.47	26.47
Annuity	**-**	**-**	**312.90**	**312.90**	-	-	243.08	243.08
Pension	**646.83**	**252.13**	**-**	**898.96**	427.24	174.66	-	601.90
Total	**3,869.05**	**6,051.42**	**13,333.67**	**23,254.14**	2,634.80	3,591.89	9,812.71	16,039.40
Investment Contract Liability								
Life	**-**	**574.81**	**261.27**	**836.08**	-	397.04	101.58	498.62
Health	**-**	**-**	**-**	**-**	-	-	-	-
Annuity	**-**	**-**	**-**	**-**	-	-	-	-
Pension	**-**	**-**	**-**	**-**	-	-	-	-
Total	**-**	**574.81**	**261.27**	**836.08**	-	397.04	101.58	498.62

b. Movement of Life insurance contract liabilities

Particulars	31-Mar-19				31-Mar-18			
	With DPF	**Linked Business**	**Others**	**Total**	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	**2,634.80**	**3,591.89**	**9,812.71**	**16,039.40**	1,994.92	1,889.82	7,007.64	10,892.38
Add/(Less)								
Premium	**1,814.29**	**2,525.55**	**4,514.70**	**8,854.54**	1,186.39	1,714.64	3,304.32	6,205.35
Unwinding of the discount / Interest credited	**327.28**	**305.61**	**646.87**	**1,279.76**	35.86	220.33	468.72	724.91
Changes in valuation for expected future benefits	**(804.16)**	**(322.87)**	**(978.48)**	**(2,105.51)**	(576.48)	(211.75)	(387.31)	(1,175.54)
Insurance liabilities released	**(129.16)**	**(86.16)**	**(681.39)**	**(896.71)**	(15.51)	(66.01)	(703.54)	(785.06)
Undistributed Participating Policyholders surplus (UPPS)	**14.02**	**-**	**-**	**14.02**	23.45	-	-	23.45
Others	**-**	**-**	**-**	**-**	-	-	-	-
Change in other Liabilities	**11.98**	**37.40**	**19.24**	**68.62**	(13.83)	44.87	122.88	153.92
Gross Liability at the end of the year	**3,869.05**	**6,051.42**	**13,333.65**	**23,254.12**	2,634.80	3,591.90	9,812.71	16,039.41

(Currency: Indian rupees in millions)

c. Investment contract liabilities without DPF are stated at fair value.

The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Group takes credit risk into account in assessing the fair value of the liabilities.

Investment contract liabilities without DPF are further analysed, as follows:

Particulars	**31 March 2019**			31 March 2018		
	Linked Business	**Others**	**Total**	Linked Business	Others	Total
At the beginning of the year	**397.04**	**101.58**	**498.62**	320.88	11.80	332.68
Additions	**-**	**-**	**-**	-	-	
Premium	**187.76**	**150.82**	**338.58**	79.75	97.50	177.25
Interest and Bonus credited to policyholders	**35.12**	**13.74**	**48.86**	30.82	5.82	36.64
Others	**0.09**	**0.83**	**0.92**	0.00	0.44	0.44
Deductions	**-**	**-**	**-**	-	-	-
Withdrawals / Claims	**(39.02)**	**(5.03)**	**(44.05)**	(30.13)	(13.61)	(43.74)
Fee Income and Other Expenses	**(6.17)**	**(0.67)**	**(6.84)**	(4.28)	(0.37)	(4.65)
At the end of the year	**574.82**	**261.27**	**836.09**	397.04	101.58	498.62

Change in insurance contract liabilities

Particulars	**31 March 2019**				31 March 2018			
	With DPF	**Linked Business**	**Others**	**Total**	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	**1,234.26**	**2,459.53**	**3,520.93**	**7,214.72**	639.88	1,702.07	2,805.07	5,147.03
b) Amount ceded in reinsurance	**-**	**-**	**-**	**(361.31)**	-	-	-	(454.63)
c) Amount accepted in reinsurance	**-**	**-**	**-**	**-**	-	-	-	-
Net change in insurance contract liabilities	**1,234.26**	**2,459.53**	**3,520.93**	**6,853.41**	639.88	1,702.07	2,805.07	4,692.40

Change in Reinsurance assets

Particulars	**31 March 2019**	31 March 2018
Opening Reinsurance Assets	**2,490.15**	2,035.69
Premium	**302.25**	193.68
Unwinding of the Discount/Interest Credited	**148.31**	65.58
Change in Valuation for expected future benefits	**103.69**	449.22
Insurance Liabilities released	**(192.80)**	(254.02)
Closing Reinsurance Assets	**2,851.60**	2,490.15

At 31 March 2019, the Company conducted an impairment review of the reinsurance assets and there is no impairement loss for the year.

During the year, the Company entered into reinsurance arrangements that resulted in losses of INR 41,933,000 for the financial year 2018-19 (PY INR 36,235,000). This profit has been reflected in the statement of profit or loss.

At 31 March 2019 and 31 March 2018, there are no impaired reinsurance assets.

d. Key Assumptions

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards and guidance notes issued by the Institute of Actuaries of India.

For Linked business (UL), separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc in excess of future charges. For lapsed policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and reserves have been kept for benefits payable post lock-in period. The discontinuance charges collected are kept as non-unit reserves till the lock-in period and the non-unit reserves for the discontinuance polices are also kept assuming the policy will continue to be in the discontinuance fund till the lock-in period of five years.

Non-linked business is reserved using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies the valuation interest rate used is 6.00% (no change from last year). For non-par policies, the valuation interest rate ranges between 5.58% - 6.75% (no change from last year) for the first 5 years and 4.00% - 6.00% (no change from last year) thereafter (for annuity, 2% assumed for year greater than 50 years)

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions.

For lapsed policies, revival reserves are maintained (till the policies are within the revival period) assuming 10.00% (previous year 10.00%) of them will get revived.

Mortality assumptions are set with reference to the published IALM (2006-2008) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the Modified Mortality for Annuitants – LIC (a) (1996-98) Ultimate Rates. Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93 (Critical Illness Base Table for year 93).

Assumptions for future expenses are considered as per the file and use assumptions (which are derived from long term business plan of the Company) and these expenses escalated each year by 5.00% p.a. (previous year 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency to cover maintenance expense overrun.

Commission has been allowed for at the rates specified in the products file and use.

Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value.For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level. Further any mark to market (MTM) gains / losses in Par fund is considered in the liability calculations.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected etc.

(Currency: Indian rupees in millions)

For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For One year renewable group term life ("OYRGTL") plan, the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

Portfolio assumptions impacting net liabilities	Range	FY 2019	FY 2018
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	195.0% (Without MAD)*	195.0% (Without MAD)*
	Min	19.8% (Without MAD)	24.0% (Without MAD)
Discount/ interest rates***	Max	8.00% (Without MAD)	8.00% (Without MAD)
	Min	7.25% (Without MAD)	7.25% (Without MAD)
Expense****	Max	8443 (INFL @5%) (without MAD) 16 (INFL @ 5%) (without MAD) for micro Insurance plan	8041 (INFL @5%) (without MAD) 15 (INFL @ 5%) (without MAD) for micro Insurance plan
	Min	255 (INFL @ 5%) (without MAD) 16 (INFL @ 5%) (without MAD) for micro Insurance plan	243 (INFL @ 5%) (without MAD) 15 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		Mortality: 10%; additional 5% MAD to cater AIDS risk	Mortality: 10%; additional 5% MAD to cater AIDS risk
		Interest: 95 – 575 bps	Interest: 100 – 575 bps
		Expenses: 10%	Expenses: 10%

* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

** For annuity it is a % of Modified Mortality for Annuitants – LIC (a) (1996-98) Ultimate Rates.

*** Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

**** The value of future expenses has been derived to allow for all the future aintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

e. Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

(Currency: Indian rupees in millions)

For Year Ended March 31, 2019

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	3,874.71	6,052.42	14,145.94	574.81	261.27
Mortality decreased by 10%	3,863.61	6,050.72	12,530.62	574.81	261.27
Lapses increased by 10%	3,867.67	6,051.30	13,165.53	574.81	261.27
Lapses decreased by 10%	3,870.46	6,051.55	13,512.22	574.81	261.27
Expenses increased by 10%	3,874.64	6,051.80	13,432.36	574.81	261.27
Expenses decreased by 10%	3,863.56	6,051.10	13,236.28	574.81	261.27
Interest Rate increased by 100 bps	3,558.45	6,024.24	10,727.48	558.60	261.27
Interest Rate decreased by 100 bps	4,241.98	6,080.54	16,751.14	592.57	261.27
Inflation Rate increased by 100 bps	3,873.04	6,051.58	13,428.22	574.81	261.27
Inflation Rate decreased by 100 bps	3,865.47	6,051.39	13,253.25	574.81	261.27

For Year Ended March 31, 2018

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	2,640.80	3,593.02	10,430.64	397.04	101.58
Mortality decreased by 10%	2,629.59	3,591.18	9,191.74	397.04	101.58
Lapses increased by 10%	2,633.10	3,591.78	9,696.89	397.04	101.58
Lapses decreased by 10%	2,636.52	3,592.00	9,933.57	397.04	101.58
Expenses increased by 10%	2,640.50	3,592.32	9,893.29	397.04	101.58
Expenses decreased by 10%	2,629.73	3,591.58	9,734.10	397.04	101.57
Interest Rate increased by 100 bps	2,463.82	3,574.73	7,906.99	394.89	101.58
Interest Rate decreased by 100 bps	2,837.36	3,609.05	12,307.84	399.19	101.58
Inflation Rate increased by 100 bps	2,639.02	3,592.82	9,889.06	397.04	101.58
Inflation Rate decreased by 100 bps	2,631.24	3,591.77	9,747.74	397.04	101.58

Gross premiums on insurance contracts and investment contracts with DPF

Particulars	**31-Mar-19**	31-Mar-18
Life Insurance	**8,854.54**	6,205.35
Total Gross Premiums	**8,854.54**	6,205.35

Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF

Particulars	**31-Mar-19**	31-Mar-18
Life Insurance	**(302.26)**	(193.68)
Total premiums ceded to reinsurers	**(302.26)**	(193.68)

(Currency: Indian rupees in millions)

Net benefits and claims

Particulars		31-Mar-19	31-Mar-18
a.	**Gross benefits and claims paid**		
	Life insurance contracts	818.53	828.27
	Investment contracts with DPF	-	-
	Total gross benefits and claims paid	818.53	828.27
b.	**Claims ceded to reinsurers**	-	-
	Life insurance contracts	(193.93)	(132.59)
	Investment contracts with DPF	-	-
	Total claims ceded to reinsurers	(193.93)	(132.59)
	Net benefits and claims	624.60	695.68

61. Key disclosures related to general insurance business

Contract Liability for General Insurance business

Premium earned

Gross Premium on insurance contracts

Particular	2018-19	2017-18
Gross written Premium	1,043.09	13.03
Change in reserve for unexpired risks	(678.45)	(12.77)
Gross Earned Premium (a)	364.64	0.26

Premium ceded to reinsurers on insurance contracts

Particular	2018-19	2017-18
Premium on reinsurance ceded	307.39	11.26
Change in reserve for unexpired risks	(230.90)	(11.03)
Premium ceded to reinsurers (b)	76.49	0.23
Total Premium Earned (net) (a - b)	288.15	0.03

(Currency: Indian rupees in millions)

Change in actuarial liability

Particular	2018-19	2017-18
Gross Claim Paid	**66.00**	-
Claims Ceded to reinsurer on Gross Claims Paid	**(5.51)**	-
Net Claims Paid	**60.49**	**-**
Change in Gross Claims Outstanding	**58.88**	-
Change in Cededing to reinsurer on Gross Claims Outstanding	**(2.38)**	-
Net Claims Outstanding	**56.50**	**-**
Change in Gross IBNR	**270.46**	0.19
Change in Cededing to reinsurer on Gross IBNR	**(34.36)**	(0.17)
Net IBNR	**236.10**	0.02
Change in Gross Premium deficiency Reserve	**72.78**	-
Change in Cededing to reinsurer on Premium deficiency Reserve	**-**	-
Net Premium deficiency Reserve	**72.78**	-
Change in actuarial liability	**425.87**	0.02

Reinsurance asset

Particular	**2018-19**	**2017-18**
Reinsurance on Insurance Contract	**80.41**	6.21
Gross Insurance contract liabilities	**1,093.52**	12.96
Reinsurance asset relating to Insurance contracts	**278.84**	11.20
Net Insurance contract liabilities	**814.68**	1.76

Gross Insurance contract liabilities	**As on 31 March 2019**	As on 31 March 2018
Gross Claims Outstanding	**58.88**	-
Gross IBNR	**270.64**	0.19
Gross Premium deficiency Reserve	**72.78**	-
Gross Reserve for unexpired risks	**691.22**	12.77
Gross Insurance contract liabilities	**1,093.52**	12.96

Reinsurance asset relating to Insurance contracts	**As on 31 March 2019**	As on 31 March 2018
Reinsurance of Claims Outstanding	**2.38**	-
Reinsurance of IBNR	**34.59**	0.16
Reinsurance of Premium deficiency Reserve	**-**	-
Reinsurance of Reserve for unexpired risks	**241.93**	11.03
Reinsurance of Insurance contract liabilities	**278.84**	11.20

Net Insurance contract liabilities	**As on 31 March 2019**	As on 31 March 2018
Net Claims Outstanding	**56.50**	-
Net IBNR	**236.11**	0.02
Net Premium deficiency Reserve	**72.78**	-
Net Reserve for unexpired risks	**449.30**	1.74
Net Insurance contract liabilities	**814.69**	1.76

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

Reconciliation of Claims Outstanding	**2018-19**	2017-18
Gross Claims Outstanding at the beginning of year	**-**	-
Gross Change in claims reserve	**58.88**	-
Gross Claims Outstanding at the end of year	**58.88**	-
Reinsurance of Claims Outstanding at the beginning of year	**-**	
Reinsurance of Change in claims reserve	**2.38**	-
Reinsurance of Claims Outstanding at the end of year	**2.38**	-
Net Claims Outstanding at the beginning of year	**-**	-
Net Change in claims reserve	**56.50**	-
Net Claims Outstanding at the end of year	**56.50**	-

Reconciliation of Incurred but not reported (IBNR)	**2018-19**	2017-18
Gross IBNR Outstanding at the beginning of year	**0.19**	-
Gross Change in IBNR reserve	**270.46**	0.19
Gross IBNR Outstanding at the end of year	**270.65**	0.19
Reinsurance of IBNR Outstanding at the beginning of year	**0.17**	
Reinsurance of Change in IBNR reserve	**34.36**	0.17
Reinsurance of IBNR Outstanding at the end of year	**34.53**	0.17
Net IBNR Outstanding at the beginning of year	**0.02**	-
Net Change in IBNR reserve	**236.09**	0.02
Net IBNR Outstanding at the end of year	**236.11**	0.02

Reconciliation of Premium deficiency Reserve	**2018-19**	2017-18
Gross Premium deficiency Reserve Outstanding at the beginning of year	**-**	
Gross Change in Premium deficiency reserve	**72.78**	-
Gross Premium deficiency Reserve Outstanding at the end of year	**72.78**	-
Reinsurance of Premium deficiency Reserve Outstanding at the beginning of year	**-**	-
Reinsurance of Change in Premium deficiency reserve	**-**	-
Reinsurance of Premium deficiency Reserve Outstanding at the end of year	**-**	-
Net Premium deficiency Reserve Outstanding at the beginning of year	**-**	-
Net Change in Premium deficiency reserve	**72.78**	-
Net Premium deficiency Reserve Outstanding at the end of year	**72.78**	-

(Currency: Indian rupees in millions)

Reserve for unexpired risks	2018-19	2017-18
Gross Reserve for unexpired risks Outstanding at the beginning of year	12.77	-
Gross Change in Reserve for unexpired risks reserve	678.45	12.77
Gross Reserve for unexpired risks Outstanding at the end of year	691.22	12.77
Reinsurance of Reserve for unexpired risks Outstanding at the beginning of year	11.03	-
Reinsurance of Change in Reserve for unexpired risks reserve	230.90	11.03
Reinsurance of Reserve for unexpired risks Outstanding at the end of year	241.93	11.03
Net Reserve for unexpired risks Outstanding at the beginning of year	1.74	-
Net Change in Reserve for unexpired risks reserve	447.55	1.74
Net Reserve for unexpired risks Outstanding at the end of year	449.29	1.74

Geographical concentration

The Company has its operation only in India.

Sensitivity Analysis to key assumptions

The following analysis is performed for reasonably possible movements in 'Ultimate Loss ratio' with all other assumptions held constant, showing the impact on gross and \net liabilities, profit before tax and equity.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

2018-19	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	+10%	442.53	401.93	40.60	-
Ultimate Loss Ratio	(10%)	(442.53)	(401.93)	(40.60)	-

62. The financial statements for the year ended 31 March 2019 has been audited by S.R. Batliboi & Co. LLP, Chartered Accountants. The financial statements for year ended 31 March 2018 have been audited by an another firm of Chartered Accountants

63. The Comparative Ind AS consolidated financial information of the Group for the year ended 31 March 2018 and the transition date opening balance sheet as at 1 April 2017 included in this consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditors whose report for the year ended 31 March 2018 and 31 March 2017 dated 3 May 2018 and 17 May 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, by the current statutory auditors S.R. Batliboi & Co. LLP, Chartered Accountants.

64. The Group has process whereby periodically all long term contract (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions as required under any law / accounting standard for material foreseeable losses on such long terms contracts (including derivative contract) has been made in the books of accounts.

Notes to the consolidated financial statements *(Continued)*

(Currency: Indian rupees in millions)

65. The Board of Directors at their meeting held on May 14, 2019, have recommended a final dividend of ₹ 0.30 per equity share (previous year: ₹ 0.30 per equity share) (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of Indian Accounting Standard (Ind AS) 10 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, the Company has not appropriated for the recommended final dividend (including tax) from the Statement of Profit and Loss for the year ended March 31, 2019.

66. Previous year's figures have been regrouped / reclassified to conform to current year presentation

Signature to notes forming part of consolidated financial statements.

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Edelweiss Financial Services Limited

Standalone Financial Statements for the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Edelweiss Financial Services 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 standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Transition to Ind AS accounting framework</u> (as described in note 52 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Standalone Ind AS Financial Statements are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its standalone financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, for transition to Ind AS, the Company has prepared standalone Ind AS 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. In preparing these standalone Ind AS financial statements, the Company's opening balance sheet was prepared as at April 1, 2017, the Company's date of transition to Ind AS.

The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting.

In view of the material impact and the complexity of implementation of the Ind AS framework and significance of the various disclosure, the transition to IND AS was of particular importance for our audit as any error could lead to material misstatement in the preparation and presentation of the standalone Ind AS financial statements.</td><td>Our audit procedures included considering the processes laid down by the management to implement such transition combined with procedures performed as follows:

• We obtained management's assessment of applicability of various accounting standards under Ind AS and their impact on the Company's standalone Ind AS financial statements and reviewed the nature of the Ind AS adjustments based on the applicable Ind AS and previous period accounting policies prepared in accordance with IGAAP.

• We tested the exemptions taken by the Company for first time adoption of Ind AS of the standalone Ind AS financial statements.

• We tested the details of Ind AS adjustments carried out by the Company as described in the reconciliation of equity as at the transition date and comparative year end date reported under erstwhile Indian GAAP to Ind AS and reconciliation of the statement of profit and loss for the comparative year end date reported under erstwhile Indian GAAP to Ind AS.

• Performed test of details by inspection of contracts, documents and policies to assess the appropriateness of the Ind AS adjustments.

• We assessed the disclosures with respect to the transition in accordance with the requirements of Ind AS 101 and other applicable disclosures in the standalone Ind AS financial statement in accordance with the requirements of relevant Ind AS.</td></tr>
</table>

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial statement of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these standalone IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditors whose report for the year ended March 31, 2018 and March 31, 2017 dated May 3, 2018 and May 17, 2017 respectively expressed an unmodified opinion on those standalone Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read the Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 55 to the standalone Ind AS financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per Shrawan Jalan
Partner
Membership Number: 102102

Place : Mumbai
Date : May 14, 2019

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

Re: Edelweiss Financial Services Limited ('the Company')

(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 and based upon the audit procedures performed, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us and based upon the 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 by the management, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(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 Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, 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 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, employees' state insurance, 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 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, goods and service tax, and cess on account of any dispute, are given below. The provisions relating to duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

Name of the statute	Nature of the dues	Amount (Rs in mn.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.88	AY 2014-15	The Commissioner of Income Tax (Appeals)
Service Tax	Service Tax and penalty	414.60	2008-09 to 2011-12	CESTAT, Mumbai

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

(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 and banks, government or dues to 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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and accordingly to the information and explanations given to us by the management, we have neither come across any instance of material fraud by the Company or on the Company by the officers and employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given by the management and based upon the audit procedures performed, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of 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 and based upon the 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 standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet 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 based upon the 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 based upon the audit procedures performed, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Shrawan Jalan
Partner
Membership Number: 102102

Place : Mumbai
Date : May 14, 2019

Annexure 2 to the Independent Auditors Report of even date on the Standalone Ind AS Financial Statements of Edelweiss Financial Services 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 Financial Services Limited

We have audited the internal financial controls over financial reporting of Edelweiss Financial Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Annexure 2 to the Independent Auditors Report of even date on the Standalone Ind AS Financial Statements of Edelweiss Financial Services Limited *(Continued)*

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, 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 : Mumbai
Date : May 14, 2019

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	2	**109.98**	96.80	310.90
(b)	Bank balances other than cash and cash equivalents	2A	**59.97**	54.77	4.98
(c)	Derivative financial instruments	3&4	**-**	42.67	5.56
(d)	Trade receivables	5	**527.62**	575.07	489.27
(e)	Loans	6	**2,538.68**	4,695.80	6,290.62
(f)	Investments	7	**33,392.51**	27,355.21	17,240.94
(g)	Other financial assets	8	**464.96**	472.69	827.23
			37,093.72	33,293.01	25,169.50
Non-financial assets					
(a)	Current tax assets (net)	9	**425.77**	751.31	748.53
(b)	Deferred tax assets (net)	10 & 31	**258.65**	876.54	763.24
(c)	Property, Plant and Equipment	11	**13.75**	18.06	22.60
(d)	Intangible assets under development		**9.96**	11.91	37.77
(e)	Other Intangible assets	11	**32.23**	48.48	43.23
(f)	Other non- financial assets	12	**132.69**	319.71	84.80
			873.05	2,026.01	1,700.17
TOTAL ASSETS			**37,966.77**	35,319.02	26,869.67
LIABILITIES AND EQUITY					
LIABILITIES					
Financial liabilities					
(a)	Derivative financial instruments	3&4	**2.48**	-	-
(b)	Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	40	**-**	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	**106.90**	264.20	143.86
(c)	Debt securities	14	**-**	276.52	1,335.72
(d)	Borrowings other than debt securities	15	**3,660.63**	-	7,189.87
(e)	Other financial liabilities	16	**602.98**	807.74	887.23
			4,372.99	1,348.46	9,556.68
Non-financial liabilities					
(a)	Current tax liabilities (net)	17	**45.86**	278.59	259.40
(b)	Provisions	18	**10.27**	107.59	203.66
(c)	Other non-financial liabilities	19	**21.64**	43.66	43.32
			77.77	429.84	506.38
EQUITY					
(a)	Equity share capital	20	**887.77**	870.60	787.67
(b)	Other equity	21	**32,628.24**	32,670.12	16,018.94
			33,516.01	33,540.72	16,806.61
TOTAL LIABILITIES AND EQUITY			**37,966.77**	35,319.02	26,869.67
The accompanying notes are an integral part of financial statements		1 to 59			

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Statement of Profit and Loss for 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	22	**263.49**	874.27
Dividend income	23	**1,184.02**	850.84
Fee and commission income	24	**1,562.24**	2,478.90
Net gain on fair value changes	25	**20.57**	1.58
Total revenue from operations		**3,030.32**	4,205.59
Other income	26	**173.43**	195.77
Total Revenue		**3,203.75**	4,401.36
Expenses			
Finance costs	27	**164.34**	749.57
Impairment / (reversal) on financial instruments	28	**(43.55)**	40.47
Employee benefits expense	29	**1,084.60**	972.07
Depreciation, amortisation and impairment	11	**38.60**	40.60
Other expenses	30	**900.49**	869.70
Total expenses		**2,144.48**	2,672.41
Profit before tax		**1,059.27**	1,728.95
Tax expenses	31		
Current tax		**73.02**	304.80
Deferred tax (net)		**(42.53)**	41.51
Profit for the year		**1,028.78**	1,382.64
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans		**1.26**	6.12
Income Tax effects of above		**(0.44)**	(2.12)
Total		**0.82**	4.00
Total Comprehensive Income		**1,029.60**	1,386.64
Earnings Per Share (₹) (Face Value of ₹ 1/- each)	34		
(1) Basic		**1.17**	1.68
(2) Diluted		**1.15**	1.62
The accompanying notes are an integral part of financial statements	1 to 59		

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 May 14, 2019

For and on behalf of the Board of Directors

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S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Statement of changes in equity for the year ended March 31, 2019

(Currency:Indian rupees in million)

A. Equity Share Capital

Particulars	Amount
As at April 01, 2017	787.67
Changes in equity share capital during FY 2017-18	82.93
As at March 31, 2018	**870.60**
Changes in equity share capital during FY 2018-19	17.17
As at March 31, 2019	**887.77**

Note : Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's financial statements, these trusts are holding 4,48,96,780 number of equity shares as on March 31, 2019 amounting to ₹ 44.90 million (as at March 31, 2018: ₹ 44.90 million; as at April 01, 2017: ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.

B. Other Equity

Particulars	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Employee Stock Option Plan (ESOP) reserve	Share application money pending allotment	Total Attributable to equity holders
Balance as at April 01, 2017	12,654.88	2,161.44	508.64	2.03	651.01	40.94	16,018.94
Profit for the year		1,382.64					1,382.64
Other Comprehensive Income		4.00					4.00
Total comprehensive income		**1,386.64**					**1,386.64**
Interim and final dividends to equity shareholders		(1,152.58)					(1,152.58)
Dividend distribution tax		(33.31)					(33.31)
Issue of equity instruments on qualified institutional placement (QIP)	15,222.94					(15,277.50)	(54.56)
Share issue expenses	(70.80)						(70.80)
Issue of equity instruments on ESOP	1,002.63					(1,031.00)	(28.37)
ESOP charge					154.93		154.93
Transfers to securities premium on exercise of ESOP	333.87				(333.87)		-
Share application money received during the year						16,292.64	16,292.64
Income tax effect of ESOP		156.59					156.59
Balance as at March 31, 2018	29,143.52	2,518.78	508.64	2.03	472.07	25.08	32,670.12

Statement of changes in equity for the year ended March 31, 2019 (Continued)

(Currency:Indian rupees in million)

B. Other Equity (Continued)

Particulars	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Employee Stock Option Plan (ESOP) reserve	Share application money pending allotment	Total Attributable to equity holders
Balance as at March 31, 2018	29,143.52	2,518.78	508.64	2.03	472.07	25.08	32,670.12
Profit for the year		1,028.78					1,028.78
Other Comprehensive Income		0.82					0.82
Total comprehensive income		1,029.60					1,029.60
Interim and final dividends to equity shareholders		(1,241.16)					(1,241.16)
Dividend distribution tax		(24.72)					(24.72)
Issue of equity instruments on ESOP	677.08					(694.25)	(17.17)
ESOP charge					225.48		225.48
Transfers to securities premium on exercise of ESOP	236.96				(236.96)		-
Share application money received during the year						675.32	675.32
Income tax effect of ESOP		(689.23)					(689.23)
Balance as at March 31, 2019	**30,057.56**	**1,593.27**	**508.64**	**2.03**	**460.59**	**6.15**	**32,628.24**

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

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 before tax	**1,059.27**	1,728.95
	Adjustments for		
	Depreciation and amortisation expenses	**38.60**	40.60
	Fair value change in investments	**(18.01)**	(0.67)
	Profit on sale of investments	**(2.65)**	(0.91)
	(Impairment) / reversal on financial instruments	**(43.55)**	40.47
	Dividend on investments	**(1,184.02)**	(850.84)
	Profit on sale of property, plant and equipment	**(1.24)**	(0.16)
	ESOP cost	**65.32**	62.53
	Finance costs	**164.34**	749.55
	Operating cash flow before working capital changes	**78.06**	1,769.52
	Add / (Less): Adjustments for working capital changes		
	Decrease /(increase) in trade receivables	**254.75**	(122.30)
	Decrease/(increase) in derivative financial instruments	**45.15**	(37.11)
	(Decrease)/increase in trade payables	**(157.31)**	120.34
	Decrease /(increase) in loans	**2,157.11**	1,594.84
	Decrease /(increase) in other financial assets	**7.73**	354.55
	Decrease /(increase) in other non- financial assets	**187.01**	(234.91)
	Decrease /(increase) in other bank balances	**(5.21)**	(49.78)
	(Decrease)/increase in provisions	**(302.09)**	(175.55)
	(Decrease)/increase in other non financial liabilities	**(21.94)**	0.30
	Cash generated from operations	**2,243.26**	3,219.90
	Income taxes paid	**(9.45)**	(288.40)
	Net cash generated from operating activities -A	**2,233.81**	2,931.50
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	**(17.76)**	(17.18)
	Sale of property, plant and equipment	**2.89**	1.89
	Purchase of investments	**(6,854.12)**	(10,046.36)
	Sale of investments	**835.13**	27.91
	Dividend on investments	**1,184.02**	850.84
	Net cash used in investing activities - B	**(4,849.84)**	(9,182.90)
C.	**Cash flow from financing activities**		
	Proceeds from issuance of Share capital (including Securities Premium)	**675.32**	16,221.84
	Repayment of Non convertible debentures	**(276.52)**	(1,059.20)
	Proceeds from/(repayment of) borrowing (Refer note 1 below)	**3,660.63**	(7,189.87)
	Dividend paid	**(1,241.16)**	(1,152.59)
	Dividend distribution tax paid	**(24.72)**	(33.31)
	Finance costs	**(164.34)**	(749.57)
	Net cash generated from financing activities - C	**2,629.21**	6,037.30

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

(Currency:Indian rupees in million)	**For the year ended March 31, 2019**	For the year ended March 31 2018
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**13.18**	(214.10)
Cash and cash equivalent as at the beginning of the year	**96.80**	310.90
Cash and cash equivalent as at the end of the year	**109.98**	96.80

Notes:

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

2 Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

3 Net cash generated from operating activities includes interest received ₹ 270.34 for March 31, 2019 and ₹ 863.78 for March 31, 2018.

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Cash Flow Disclosure
Change in Liabilities arising from financing acitivies

Particulars	As at April 01, 2018	Cash Flows	Changes in Fair value	Others*	**As at March 31, 2019**
Debt securities	276.52	(315.43)	-	38.91	**-**
Borrowings other than debt securities	-	3,535.20	-	125.43	**3,660.63**
Subordinated liabilities	-	-	-	-	**-**
	276.52	3,219.77	-	164.34	**3,660.63**

Particulars	As at April 01, 2017	Cash Flows	Changes in Fair value	Others*	As at March 31, 2018
Debt securities	1,335.72	(1,563.59)	-	504.39	276.52
Borrowings other than debt securities	7,189.87	(7,435.05)	-	245.18	-
Subordinated liabilities	-	-	-	-	-
	8,525.59	(8,998.64)	-	749.57	276.52

*Other column includes the effect of interest accrued during the period.

Notes to the financial statements

1. Background

Edelweiss Financial Services Limited ('the Company') is registered with Securities and Exchange Board of India (SEBI) as Category I – Merchant Banker. The Company was incorporated on November 21, 1995 and is the ultimate holding company of Edelweiss group of companies.

The Company is principally engaged in providing investment .banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

Significant Accounting Policies

1.1 Basis of preparation of financial statements

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

For all periods up to and including the year ended March 31, 2018, the Company prepared its standalone financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These standalone financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 52 for information on how the Company transitioned to Ind AS.

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

1.2 **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 no.46.

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

1.3 Recognition of Interest and Dividend income

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

1.3 Recognition of Interest and Dividend income *(Continued)*

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

1.4 Financial Instruments

1.4.1 Date of recognition

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

1.4.2 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.

1.5 Classification of financial instruments

1.5.1 Financial assets:

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

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.

1.5.1.1 Amortized cost and Effective interest method

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

For financial instruments 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.

1.5.1.2 Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued 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 evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value.

1.5.1.3 Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss. However, for equity investments in subsidiaries and associates, these are measured at cost as permitted under Ind AS 27, subject to impairment, if any.

1.5.2 **Financial liabilities**

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

1.5.2.1 Debt securities and other borrowed funds

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

1.5.2.2 Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and 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 effective interest rate.

1.5.2.3 Financial guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

1.5.3 Financial liabilities and equity instruments

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

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

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

1.5.4 Derivative contracts (Derivative assets / Derivative liability)

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

1.6 Reclassification of financial assets and financial liabilities

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

1.7 Employee welfare trust

The Company is a sponsor to two trusts namely: (i) Edelweiss Employees' Welfare Trust; and (ii) Edelweiss Employees' Incentives and Welfare Trust. These trusts have been formed exclusively to provide benefits to employees of the Company and its subsidiaries and associates. These trusts have been treated as an extension of the Company for the purpose of these financial statements. Accordingly, the equity shares of the Company held by these trusts have been treated as treasury shares. The excess of the cost of such shares over the face value of shares has been reduced from the securities premium account of the Company. Further, the interest-free loan given by the Company to these trusts has been derecognized.

1.8 Derecognition of financial assets and financial liabilities

1.8.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

1.8.3 Derecognition of financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

1.9 Impairment of financial assets

The Company records allowance for expected credit losses for all amortised cost financial assets and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk 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 on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

1.10 Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

1.11 Determination of fair value

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

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

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

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

- Level 1 financial instruments −Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments−Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments −Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are 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.

Notes to the financial statements *(Continued)*

1.12 Revenue from contract with customer

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

The Company recognises revenue from the following sources:

Fee income including fees for Investment Banking Advisory Fees, Syndication fees and fees for other allied services. The right to receive Investment Banking & Syndication fees is basis on milestones defined in accordance with the terms of the contracts entered into between the Company and the counterparty which also defines its performance obligation. All types of fee income is accounted for, on an accrual basis.

1.13 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.

1.14 Foreign currency transactions

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

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

1.15 Retirement and other employee benefit

Provident fund and national pension scheme

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

Gratuity

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

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

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

Compensated Absences

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

The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

1.16 Share-based payment arrangements

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

a. with respect to Company's employees:

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 Employee Stock Option Plan Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs.

b. with respect to employees of the Group:

The fair value determined at the grant date of the equity-settled share-based payments is accounted as a capital contribution (deemed investment) to the respective subsidiaries 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 such that the cumulative capital contribution (deemed investment) is increased so that it reflects the revised estimate, with a corresponding adjustment to the Employee Stock Option Plan Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs. Whenever, these estimates are expected to get settle between the subsidiaries and the Company, they are accounted as receivable/payable.

1.17 Property, plant and equipment

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

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

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

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Furniture and fixtures	10 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

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

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 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

1.18 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 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

1.19 Impairment of non-financial assets

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

1.20 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.

1.21 Provisions and other contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. 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.

1.22 Income tax expenses

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

1.22.1 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.

1.22.2 Deferred tax

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

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

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

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

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

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

Minimum Alternative Tax (MAT) credit

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

1.22.3 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.

1.22.4 Business Combination :

The acquisition method of accounting is used to account for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

1.23 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, 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.

Notes to the financial statements *(Continued)*

1.24 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 standalone financial statements.

1.24.1 Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments for principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.25 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 these 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.

1.25.1 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.

1.25.2 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.

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

1.26 Standards issued but not yet effective

1.26.1 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 01, 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. The application of this standard is not likely to have a material impact on the Financial Statements.

1.26.2 Long term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long term interests. Furthermore, in applying Ind AS 109 to long term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after April 01, 2019. Specific transition provisions apply depending on whether the first time application of the amendments coincides with that of Ind AS 109.

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

1.26.3 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 01, 2019.

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

1.27 Annual Improvements to Ind AS (2018)

1.27.1 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 April 01, 2019.

1.27.2 Ind AS 103 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. These amendments are to be applied for business combinations in which the date of acquisition is on or after April 01, 2019.

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

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

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

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after April 01, 2019.

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

1.27.4 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 Company; 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 01, 2019. Entities can apply the Appendix with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
2.	**Cash and cash equivalents**			
	Cash in hand	**0.04**	0.05	0.09
	Balances with banks			
	- in current accounts	**109.94**	96.75	310.81
	Total	**109.98**	96.80	310.90
2A	**Bank balances other than cash and cash equivalents**			
	Unpaid dividend accounts	**9.42**	4.46	4.98
	Fixed deposits with banks	**50.55**	50.31	-
	Total	**59.97**	**54.77**	**4.98**
2B	**Encumbrances on fixed deposits held by the Company**			
	Fixed deposit pledged for:			
	Bank overdraft facility	**50.00**	50.00	-
		50.00	50.00	-

3. Derivative financial instruments

The Company enters into derivative transactions to hedge its interest rate risks and currency risks.

These derivatives are held for risk management purposes i.e. economic hedges but the Company has elected not to apply hedge accounting requirements.

Particulars	March 31, 2019							
	Unit	Currency	Notional amount*	Fair value Asset	Unit	Currency	Notional amount*	Fair value liability
(i) Currency derivatives								
Currency Futures	**Number of currency units**	**USDINR**	**4,98,000**	**0.16**	**Number of currency units**	**USDINR**	**1,36,79,000**	**4.42**
Less: Amounts Offset (refer note.4 offsetting disclosure)				**(0.16)**				**(4.42)**
Forwards					**Number of currency units**	**USDINR**	**3,56,24,205**	**2.48**
Total Derivative Financial Instruments			**Total**	**-**			**Total**	**2.48**

(Currency: Indian rupees in million)

3. Derivative financial instruments *(Continued)*

Particulars	March 31, 2018							
	Unit	Currency	Notional amount*	Fair value Asset	Unit	Currency	Notional amount*	Fair value liability
(i) Currency derivatives								
Currency Futures	Number of currency units	USDINR	2,91,000	0.06	Number of currency units	USDINR	18,03,000	0.66
Less: Amounts Offset (refer note.4 offsetting disclosure)				(0.06)				(0.66)
Forwards	Number of currency units	USDINR	4,89,51,205	42.67				
Total Derivative Financial Instruments			Total	42.67			Total	-

Particulars	April 01, 2017							
	Unit	Currency	Notional amount*	Fair value Asset	Unit	Currency	Notional amount*	Fair value liability
(i) Currency derivatives								
Currency Futures	Number of currency units	USDINR	58,09,000	1.26				
Less: Amounts Offset (refer note.4 offsetting disclosure)				(1.26)				
Forwards	Number of currency units	USDINR	4,77,64,085	5.56				
Total Derivative Financial Instruments			Total	5.56			Total	-

* Notional amount represents quantity in case of currency linked derivatives

4. Offsetting

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby derivative financial assets and financial liabilities will be settled on a net basis. 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 March 31, 2019

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	**Amount offset***	**Net asset recognised in balance sheet**	**Financial liabilities**	**Assets after consideration of netting potential**	**Assets recognised on the balance sheet**	**Recognised in the balance sheet**
Derivative financial assets	**0.16**	**0.16**	-	-	-	-	-

(Currency: Indian rupees in million)

4. Offsetting *(Continued)*

Financial liabilities subject to offsetting March 31, 2019

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	6.90	4.42	2.48	-	2.48	-	2.48

* As at the reporting date, the amount of gross derivative assets & liabilities that has been offset against the cash margin is Rs.0.16 million and Rs.4.42 million respectively.

Financial assets subject to offsetting March 31, 2018

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	42.73	0.06	42.67	-	42.67	-	42.67

Financial liabilities subject to offsetting March 31, 2018

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	0.66	0.66	-	-	-	-	-

* As at the reporting date, the amount of gross derivative assets & liabilities that has been offset against the cash margin is Rs.0.06 million and Rs.0.66 million respectively.

Financial assets subject to offsetting April 01, 2017

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	6.82	1.26	5.56	-	5.56	-	5.56

* As at the reporting date, the amount of gross derivative assets that has been offset against the cash margin is Rs.1.26 million.

(Currency: Indian rupees in million)

5. Trade receivables

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a)	**Trade receivables**			
	Receivables considered good - Unsecured	**624.67**	829.32	752.13
	Less : Allowance for expected credit losses	**(97.05)**	(254.25)	(262.86)
		527.62	575.07	489.27

b) Reconciliation of impairment allowance on trade 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	**(254.25)**	(262.86)
Add/ (less): asset originated or acquired (net)	**157.20**	8.61
Impairment allowance - Closing Balance	**(97.05)**	(254.25)

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.

3) Trade receivables are non-interest earing and are generally on terms of 1 to 30 days.

c) Trade receivables days past due

As at March 31, 2019	**0-90 days**	**91-180 days**	**181-270 days**	**270-360 days**	**> 360 days**	**Total**
ECL Rates	**0.87%**	**37.1%**	**64.3%**	**89.0%**	**100.0%**	
Estimated total gross carrying amount at default	**519.47**	**19.13**	**0.05**	**5.94**	**80.08**	**624.67**
ECL - Simplified approach	**4.55**	**7.10**	**0.03**	**5.29**	**80.08**	**97.05**
Net carrying amount	**514.92**	**12.03**	**0.02**	**0.65**	**-**	**527.62**

As at March 31, 2018	0-90 days	91-180 days	181-270 days	270-360 days	> 360 days	Total
ECL Rates	3.87%	40.9%	64.3%	88.2%	100.0%	
Estimated total gross carrying amount at default	596.04	0.63	0.36	14.22	218.07	829.32
ECL - Simplified approach	23.07	0.26	0.23	12.62	218.07	254.25
Net carrying amount	572.97	0.37	0.13	1.60	-	575.07

As at April 01, 2017	0-90 days	91-180 days	181-270 days	270-360 days	> 360 days	Total
ECL Rates	5.74%	32.4%	62.8%	83.8%	100.0%	
Estimated total gross carrying amount at default	492.57	23.22	20.34	10.63	205.37	752.13
ECL - Simplified approach	28.29	7.52	12.77	8.91	205.37	262.86
Net carrying amount	464.28	15.70	7.57	1.72	-	489.27

(Currency: Indian rupees in million)

6. Loans

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(at Amortised cost)			
Loans to related parties	**2,494.70**	4,688.62	6,287.19
Loans to employees	**43.98**	7.18	3.43
Total Gross	**2,538.68**	4,695.80	6,290.62
Less: Impairment loss allowance	**-**	-	-
Total (Net)	**2,538.68**	4,695.80	6,290.62
Unsecured	**2,538.68**	4,695.80	6,290.62
Total Gross	**2,538.68**	4,695.80	6,290.62
Less: Impairment loss allowance	**-**	-	-
Total (Net)	**2,538.68**	4,695.80	6,290.62
Loans outside India			
Others	**2,353.30**	3,672.62	3,332.68
Loans in India			
Public sector	**-**	-	-
Others	**185.38**	1,023.18	2,957.94
Total Gross	**2,538.68**	4,695.80	6,290.62
Less: Impairment loss allowance	**-**	-	-
Total (Net)	**2,538.68**	4,695.80	6,290.62

Note : These loans are considered to have low credit risk based on credit evaluation undertaken by the Company. There is no history of any defaults on these loans. Since the counter-parties are subsidiaries and employees of the Company, the Company regularly monitors to ensure that these entities have enough liquidity which safeguards the interest of investors and lenders. Accordingly, there is no Expected credit loss allowance on the aforesaid loans.

(Currency: Indian rupees in million)

7. Investments

As at March 31, 2019	At Amortised cost (1)	At fair value: Through OCI (2)	At fair value: Through P&L (quoted) (3)	At fair value: Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (unquoted) (6)	Total (7)= (1+5+6)
Equity instruments	-	-	**131.07**	-	**131.07**	**33,261.44**	**33,392.51**
TOTAL - Gross (A)	-	-	**131.07**	-	**131.07**	**33,261.44**	**33,392.51**
(i) Investments outside India	-	-	-	-	-	**534.37**	**534.37**
(ii) Investment in India	-	-	**131.07**	-	**131.07**	**32,727.07**	**32,858.14**
Total (B)	-	-	**131.07**	-	**131.07**	**33,261.44**	**33,392.51**
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	**131.07**	-	**131.07**	**33,261.44**	**33,392.51**
Aggregate amount of quoted investments							131.07
Aggregate market value of quoted investments							131.07
Aggregate amount of unquoted investments							33,261.44

As at March 31, 2018	At Amortised cost (1)	At fair value: Through OCI (2)	At fair value: Through P&L (quoted) (3)	At fair value: Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (unquoted) (6)	Total (7)= (1+5+6)
Equity instruments	-	-	113.07	-	113.07	27,242.14	27,355.21
TOTAL - Gross (A)	-	-	113.07	-	113.07	27,242.14	27,355.21
(i) Investments outside India	-	-	-	-	-	331.40	331.40
(ii) Investment in India	-	-	113.07	-	113.07	26,910.74	27,023.81
Total (B)	-	-	113.07	-	113.07	27,242.14	27,355.21
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	113.07	-	113.07	27,242.14	27,355.21
Aggregate amount of quoted investments							113.07
Aggregate market value of quoted investments							113.07
Aggregate amount of unquoted investments							27,242.14

As at April 01, 2017	At Amortised cost (1)	At fair value: Through OCI (2)	At fair value: Through P&L (quoted) (3)	At fair value: Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (unquoted) (6)	Total (7)= (1+5+6)
Equity instruments	-	-	112.40	-	112.40	17,108.81	17,221.21
Preference Shares	-	-	-	-	-	19.73	19.73
TOTAL - Gross (A)	-	-	112.40	-	112.40	17,128.54	17,240.94
(i) Investments outside India	-		-	-	-	334.74	334.74
(ii) Investment in India	-	-	112.40	-	112.40	16,793.80	16,906.20
Total (B)	-	-	112.40	-	112.40	17,128.54	17,240.94
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	112.40	-	112.40	17,128.54	17,240.94
Aggregate amount of quoted investments							112.40
Aggregate market value of quoted investments							112.40
Aggregate amount of unquoted investments							17,128.54

Note :

The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the Company that would vest in a graded manner to certain employees of subsidiaries. To the extent that the Company has not charged and recovered the fair value of such stock options from its subsidiaries, it has been included in the above carrying value of investment in the those subsidiaries.

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
8.	**Other financial assets**			
	Deposits- others	**50.34**	22.18	19.74
	Dividend receivable	**-**	-	199.49
	Margin placed with broker	**82.91**	6.34	16.14
	Corporate guarantee fees receivable	**331.71**	444.17	591.86
		464.96	472.69	827.23
9.	**Current tax assets (net)**			
	Advance income taxes	**425.77**	751.31	748.53
	(net of provision for tax March 31, 2019, ₹ 2,523.69 million, March 31, 2018 ₹ 1,818.28 million, April 01, 2017 ₹ 1,897.04 millions)			
		425.77	751.31	748.53
10.	**Deferred tax assets (net)**			
	Deferred tax assets			
	Trade receivables			
	Provision for expected credit loss	**40.10**	91.44	40.51
	Property, plant and equipment and intangibles			
	Difference between book and tax depreciation	**13.66**	9.29	9.19
	Investments and other financial instruments			
	Provision for impairment	**-**	120.17	169.16
	Unrealised loss on derivatives	**17.27**	-	-
	Employee benefit obligations			
	Disallowances under section 43B of the Income Tax Act, 1961	**3.60**	37.59	70.52
	Unused tax losses			
	Accumulated losses	**219.54**	-	-
	Employees stock option plan	**-**	659.98	503.05
		294.17	918.47	792.43
	Deferred tax liabilities			
	Investments and other financial instruments			
	Unrealised gain on derivatives	**-**	12.73	2.72
	Fair valuation of investments - gain in valuation	**35.52**	29.20	26.47
		35.52	41.93	29.19
		258.65	876.54	763.24

Notes to the standalone financial statements *(Continued)*

(Currency: Indian rupees in million)

11. Property, plant and equipment and intangible assets

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2018	Additions during the year	Deductions during the year	**As at March 31, 2019**	As at April 01, 2018	Charge for the year	Deductions during the year	**As at March 31, 2019**	**As at March 31, 2019**
Property, Plant and Equipment									
Freehold Building	1.75	-	-	**1.75**	0.09	0.08	-	**0.17**	**1.58**
Leasehold Improvements	0.63	-	-	**0.63**	0.31	0.31	-	**0.62**	**0.01**
Furniture and Fixtures	0.17	-	-	**0.17**	0.02	0.04	-	**0.06**	**0.11**
Vehicles	9.21	-	(2.40)	**6.81**	2.93	1.80	(1.07)	**3.66**	**3.15**
Office Equipment	1.93	0.35	-	**2.28**	0.78	0.62	-	**1.40**	**0.88**
Computers	14.95	6.32	(0.50)	**20.77**	6.45	6.46	(0.16)	**12.75**	**8.02**
Total: A	28.64	6.67	(2.90)	**32.41**	10.58	9.31	(1.23)	**18.66**	**13.75**
Intangible assets									
Computer software	78.19	13.04	-	**91.23**	29.71	29.29	-	**59.00**	**32.23**
Total: B	78.19	13.04	-	**91.23**	29.71	29.29	-	**59.00**	**32.23**
Grand total [A+B]	106.83	19.71	(2.90)	**123.64**	40.29	38.60	(1.23)	**77.66**	**45.98**

Notes to the standalone financial statements *(Continued)*

(Currency: Indian rupees in million)

11. Property, plant and equipment and intangible assets (previous year)

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block
	As at April 01, 2017	Additions during the year	Deductions during the year	As at March 31, 2018	As at April 01, 2017	Charge for the year	Deductions during the year	As at March 31, 2018	As at March 31, 2018
Property, Plant and Equipment									
Freehold Building*	1.75	-	-	1.75	-	0.09	-	0.09	1.66
Leasehold Improvements	0.63	-	-	0.63	-	0.31	-	0.31	0.32
Furniture and Fixtures	0.08	0.09	-	0.17	-	0.02	-	0.02	0.15
Vehicles	10.49	0.53	(1.81)	9.21	-	3.18	(0.25)	2.93	6.28
Office Equipment	1.27	0.85	(0.19)	1.93	-	0.83	(0.05)	0.78	1.15
Computers	8.38	6.61	(0.04)	14.95	-	6.46	(0.01)	6.45	8.50
Total: A	22.60	8.08	(2.04)	28.64	-	10.89	(0.31)	10.58	18.06
Intangible assets									
Computer software	43.23	34.96	-	78.19	-	29.71	-	29.71	48.48
Total: B	43.23	34.96	-	78.19	-	29.71	-	29.71	48.48
Grand total [A+B]	65.83	43.04	(2.04)	106.83	-	40.60	(0.31)	40.29	66.54

* Mortgaged for Non Convertible Debentures

Note :

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 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the transition date.

(Currency: Indian rupees in million)

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
12.	**Other non-financial assets**			
	Advances to others	-	0.93	0.91
	Contribution to gratuity fund (net of provision)	-	1.08	0.40
	Prepaid expenses	**70.09**	38.85	26.37
	Vendor advances	**62.60**	278.85	57.12
		132.69	319.71	84.80
13.	**Trade payables**			
	Payable to :			
	Trade payables to non-related parties	**89.56**	178.52	133.02
	Trade payables to related parties	**17.34**	85.68	10.84
	(includes sundry creditors, provision for expenses,customer payables)			
		106.90	264.20	143.86
14.	**Debt securities**			
	(at Amortised cost)(Refer note below)			
	Non-convertible redeemable debentures (secured)			
	Non convertible debentures - privately placed	-	212.00	1,062.00
	Interest accrued on debt securities	-	64.52	273.72
	(Secured by fixed charge on immovable property and floating charge on receivables. Refer note below for terms and maturity)			
	Total	-	276.52	1,335.72
	Debt securities in India	-	276.52	1,335.72
	Debt securities outside India	-	-	-
	Total	-	276.52	1,335.72
	Note : terms and maturity pattern of non convertible debentures			
	Interest rate range and maturity			
	10.20% - 2018-2019	-	212.00	212.00
	10.20% - 2017-2018	-	-	175.00
	10.75% - 2017-2018	-	-	100.00
	10.90% - 2017-2018	-	-	175.00
	11.00% - 2017-2018	-	-	250.00
	11.05% - 2017-2018	-	-	150.00
	Total	-	212.00	1,062.00

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
15.	**Borrowings other than debt securities**			
	(at Amortised cost)			
	Unsecured			
	Loan from related parties	**3,636.36**	-	7,150.33
	Interest accrued and due on borrowings	**24.27**	-	39.54
	(Repayable on demand, Interest rate payable @ 9.50% for March 31, 2019 and 11% for April 01, 2017)			
		3,660.63	-	7,189.87
	Borrowings in India	**3,660.63**	-	7,189.87
	Borrowings outside India	**-**	-	-
	Total	**3,660.63**	-	7,189.87
16.	**Other financial liabilities**			
	Other payables	**0.02**	0.02	0.02
	Book overdraft	**4.99**	-	-
	Unpaid dividends	**9.42**	4.46	4.98
	Accrued salaries and benefits	**256.84**	359.09	290.37
	Financial guarantee obligation	**331.71**	444.17	591.86
		602.98	807.74	887.23
17.	**Current tax liabilities (net)**			
	Provision for taxation	**45.86**	278.59	259.40
	(net of advance tax for March 31, 2019 ₹ 282.58 million, March 31, 2018 ₹ 273.89 million, April 01, 2017 ₹ 260.95 millions)			
		45.86	278.59	259.40
18.	**Provisions**			
	Provision for employee benefits			
	Gratuity	**0.93**	-	-
	Compensated leave absences	**9.34**	7.48	7.35
	Deferred bonus	**-**	100.11	196.31
		10.27	107.59	203.66
19.	**Other non-financial liabilities**			
	Withholding taxes, GST and other taxes payable	**19.15**	39.65	28.57
	Others	**2.49**	4.01	14.75
		21.64	43.66	43.32

Notes to the 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
20.	**Equity share capital**						
	Authorised :						
	Equity shares of ₹ 1 each	**1,23,00,00,000**	**1,230.00**	1,23,00,00,000	1,230.00	1,23,00,00,000	1,230.00
	Preference shares of ₹ 5 each	**40,00,000**	**20.00**	40,00,000	20.00	40,00,000	20.00
		1,23,40,00,000	**1,250.00**	1,23,40,00,000	1,250.00	1,23,40,00,000	1,250.00
	Issued, subscribed and paid up:						
	Equity shares of ₹ 1 each	**93,26,69,564**	**932.67**	91,54,98,927	915.50	83,25,69,089	832.57
	Less: Shares held by Edelweiss Employees Incentives and Welfare Trust	**(73,01,510)**	**(7.30)**	(73,01,510)	(7.30)	(73,01,510)	(7.30)
	Less: Shares held by Edelweiss Employees Welfare Trust	**(3,75,95,270)**	**(37.60)**	(3,75,95,270)	(37.60)	(3,75,95,270)	(37.60)
	(Refer Note. 1.7)						
		88,77,72,784	**887.77**	87,06,02,147	870.60	78,76,72,309	787.67

A. Reconciliation of number of shares

(Before deducting treasury shares)	As at March 31, 2019		As at March 31, 2018	
	No of shares	**Amount**	No of shares	Amount
Outstanding at the beginning of the year	**91,54,98,927**	**915.50**	83,25,69,089	832.57
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	**1,71,70,637**	**17.17**	2,83,67,350	28.37
-Under Qualified institutional placement (QIP)	**-**	**-**	5,45,62,488	54.56
Outstanding at the end of the year	**93,26,69,564**	**932.67**	91,54,98,927	915.50

Note :

The Company has bought back 2,030,048 equity shares of ₹ 1 each pursuant to the buy back programme in the financial year 2014-15.

B. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

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.

C. 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
Rashesh Shah	**14,53,01,730**	**15.58%**	14,53,01,730	15.87%	14,53,01,730	17.45%
Venkat Ramaswamy	**5,80,26,560**	**6.22%**	5,80,26,560	6.34%	5,80,26,560	6.97%
	20,33,28,290	**21.80%**	20,33,28,290	22.21%	20,33,28,290	24.42%

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
21.	**Other Equity**			
	Securities premium account	**30,057.56**	29,143.52	12,654.88
	General reserve	**508.64**	508.64	508.64
	Capital redemption reserve	**2.03**	2.03	2.03
	Retained earnings	**1,593.27**	2,518.78	2,161.44
	Stock options outstanding	**460.59**	472.07	651.01
	Share application money pending allotment	**6.15**	25.08	40.94
		32,628.24	32,670.12	16,018.94

B. Movement in Other Equity

		As at March 31, 2019	As at March 31, 2018
I.	**Securities premium account**		
	Opening Balance	**29,143.52**	12,654.88
	Add : On issue of shares on excercise of Employee Stock Options Plans (ESOPs)	**677.08**	1,002.63
	Add : On transfer from ESOP reserve on excercise of Employee Stock Options Plans (ESOPs)	**236.96**	333.87
	Add: On issue of shares under Qualified institutional placement	**-**	15,222.94
	Less: Issue expenses on shares issued under Qualified institutional placement	**-**	(70.80)
		30,057.56	29,143.52
II.	**General Reserve**		
	Opening Balance	**508.64**	508.64
	Add : Additions during the year	**-**	-
		508.64	508.64
III.	**Capital Redemption Reserve**		
	Opening Balance	**2.03**	2.03
	Add : Additions during the year	**-**	-
		2.03	2.03
IV.	**Retained earnings**		
	Opening Balance	**2,518.78**	2,161.44
	Add: Profit for the year	**1,028.78**	1,382.64
	Add: Other Comprehensive Income	**0.82**	4.00
	Add/(less): Income tax effect on ESOP	**(689.23)**	156.59
	Amount available for appropriation	**2,859.15**	3,704.67
	Appropriations:		
	Interim dividend	**(975.88)**	(910.14)
	Final dividend	**(265.28)**	(242.44)
	Dividend distribution tax	**(24.72)**	(33.31)
		(1,265.88)	(1,185.89)
		1,593.27	2,518.78

Notes to the financial statements *(Continued)*
(Currency: Indian rupees in million)

		As at March 31, 2019	As at March 31, 2018
21.	**Other Equity *(Continued)***		
V.	**Stock options outstanding (Refer Note. 36)**		
	Opening Balance	**472.07**	651.01
	Add : Additions during the year	**225.48**	154.93
	Less : Transfer to securities premium account on exercise of ESOPs	**(236.96)**	(333.87)
		460.59	472.07
VI.	**Share application money pending allotment**	**6.15**	25.08
	(Received against ESOP excercised by employees. For details of ESOP plan refer note.36)		
		6.15	25.08
		32,628.24	32,670.12

		For the year ended March 31, 2019	For the year ended March 31, 2018
22.	**Interest Income**		
	On Financial assets measured at Amortised Cost		
	Interest on loans	**254.32**	870.06
	Interest income from investments	**-**	2.24
	Interest on deposits with bank	**3.70**	1.43
	Other interest income	**5.47**	0.54
	Total	**263.49**	874.27
23.	**Dividend Income**		
	Dividend on investments	**1,184.02**	850.84
	Total	**1,184.02**	850.84
24.	**Fee and commission income**		
	Advisory and other fees	**1,562.24**	2,478.90
	Total	**1,562.24**	2,478.90
25.	**Net gain on fair value changes**		
	Net gain/ (loss) on financial instruments at FVTPL		
	Investments		
	Fair value gain - P&L - equity (unrealised)	**18.01**	0.67
	Derivatives		
	Profit / (loss) on equity derivative instruments (net) (realised)	**(0.09)**	-
	Others		
	Profit on sale of investments (realised)	**2.65**	0.91
	Total	**20.57**	1.58

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

		For the year ended March 31, 2019	For the year ended March 31, 2018
26.	**Other income**		
	Profit on sale of property, plant and equipment	**-**	0.16
	Foreign exchange gain	**105.92**	192.47
	Miscellaneous income	**67.51**	3.14
		173.43	195.77
27.	**Finance costs**		
	On Financial Liabilities measured at Amortised Cost		
	Interest on borrowings		
	Interest on bank overdraft	**0.73**	0.04
	Interest on loan from subsidiaries	**112.70**	213.26
	Interest on debt securities		
	Discount on commercial paper	**32.90**	428.16
	Interest on debentures	**6.01**	76.23
	Other interest expense		
	Financial and bank charges	**0.72**	31.67
	Interest - others	**11.28**	0.21
	Total	**164.34**	749.57
28.	**Impairment on financial instruments**		
	Bad- debts written off	**113.65**	49.08
	Reversal of ECL provision on trade receivables	**(157.20)**	(8.61)
		(43.55)	40.47
29.	**Employee benefit expenses**		
	Salaries and wages	**940.42**	805.05
	Contribution to provident and other funds	**31.58**	35.03
	Expense on Employee Stock Option Scheme (ESOP)	**65.32**	62.53
	Staff welfare expenses	**47.28**	69.46
		1,084.60	972.07

(Currency: Indian rupees in million)

		For the year ended March 31, 2019	For the year ended March 31, 2018
30.	**Other expenses**		
	Advertisement and business promotion	**209.65**	214.36
	Auditors' remuneration (Refer Note 30.A)	**9.59**	7.05
	Commission and brokerage	**32.77**	25.73
	Communication	**7.33**	6.12
	Directors' sitting fees	**2.00**	2.00
	Commission to non-executive directors	**5.00**	6.80
	Insurance	**22.87**	23.58
	Legal and professional fees	**183.96**	250.25
	Printing and stationery	**10.17**	8.97
	Rates and taxes	**2.09**	5.88
	Rent (Refer Note 30.C & 35)	**90.11**	81.06
	Repairs and maintenance	**1.86**	1.45
	Electricity charges (Refer Note 35)	**7.95**	9.59
	Computer software expenses	**104.68**	72.97
	Corporate social responsibility (Refer Note 30.B)	**35.40**	38.00
	Donation	**0.26**	1.05
	Clearing and custodian charges	**1.10**	1.20
	Membership and subscription	**18.69**	21.05
	Office expenses (Refer Note 35)	**56.44**	4.11
	Postage and courier	**2.87**	1.41
	Seminar and conference	**4.64**	7.20
	Goods and service tax expenses	**12.20**	4.71
	Travelling and conveyance	**75.33**	72.15
	Housekeeping and security charges	**3.53**	3.01
		900.49	869.70
30.A	**Auditors' remuneration:**		
	As a Auditor		
	Statutory Audit of the Company	**8.80**	6.78
	Certification fees	**0.50**	-
	Towards reimbursement of expenses	**0.29**	0.27
		9.59	7.05
30.B	**Details of Corporate social responsibility expenditure:**		
	As per the provisions of Section 135 of Companies Act 2013,		
	Gross Amount required to be spent by the Company	**34.73**	32.00
	Amount Spent (Paid in Cash)		
	Construction/ Acquisition of any assets	**-**	-
	on purpose other than (i) above	**35.40**	38.00
	Amount Spent (Yet to be paid in Cash)		
	Construction/ Acquisition of any assets	**-**	-
	on purpose other than (i) above	**-**	-
		35.40	38.00

30.C Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended March 31, 2019 aggregated to ₹ 90.11 million (Previous year: ₹ 81.06 million) which has been included under the head other expenses – Rent in the Statement of profit and loss. The Company does not have any non-cancellable operating lease.

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

31. Income Tax

31.A Component of Income Tax Expenses

	For the year ended March 31, 2019	For the year ended 31 March 2018
Current Tax	**7.24**	280.82
Adjustment in respect of income tax of prior years	**65.78**	23.98
Deferred tax relating to temporary differences	**(42.53)**	41.51
Total Tax Charge for the year	**30.49**	346.31
Current Tax	**73.02**	304.80
Deferred Tax (Refer Note 31.C)	**(42.53)**	41.51

31.B The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit before Taxes	**1,059.27**	1,728.95
Statutory Income Tax rate	**34.94%**	34.94%
Tax Charge at Statutory Rate	**370.11**	604.10
Tax effect of :		
Adjustment in respect of current income tax of prior year	**65.78**	23.98
Income not subject to tax or chargeable to lower tax rate		
Dividend Income	**(413.70)**	(297.27)
Long Term capital gain on sale of Shares	**(0.92)**	(0.32)
Non Deductible Expenses		
Others	**9.22**	15.82
Income Tax Expenses Reported in Statement of Profit and Loss	**30.49**	346.31
Effective Income Tax Rate	**2.88%**	20.03%

(Currency: Indian rupees in million)

31. Income Tax *(Continued)*

31.C Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

	As at March 31, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	**As at March 31, 2019**
For the Year Ended March 2019					
Deferred Tax Assets					
Difference between book and tax depreciation (including intangibles)	9.29	4.37	-	-	**13.66**
Trade receivables - Expected credit loss	91.44	(51.34)	-	-	**40.10**
Fair value of investments	120.17	(120.17)	-	-	**-**
Employee stock options	659.98	-	-	(659.98)	**-**
Disallowances under section 43B of the Income Tax Act, 1961	37.59	(33.55)	(0.44)	-	**3.60**
Accumulated Losses	-	219.54	-	-	**219.54**
Deferred Tax Liabilities					
Fair valuation of investments- gain in valuation	(29.20)	(6.32)	-	-	**(35.52)**
Unrealised gain on derivatives	(12.73)	30.00	-	-	**17.27**
Deferred Tax Asset (net)	876.54	42.53	(0.44)	(659.98)	**258.65**

	As at April 01, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2018
For the Year Ended March 2018					
Deferred Tax Assets					
Difference between book and tax depreciation (including intangibles)	9.19	0.10	-	-	9.29
Trade receivables - Expected credit loss	40.51	50.93	-	-	91.44
Fair value of investments	169.16	(48.99)	-	-	120.17
Employee stock options	503.05	-	-	156.93	659.98
Disallowances under section 43B of the Income Tax Act, 1961	70.52	(30.81)	(2.12)	-	37.59
Deferred Tax Liabilities					
Fair valuation of investments- gain in valuation	(26.47)	(2.73)	-	-	(29.20)
Unrealised gain on derivatives	(2.72)	(10.01)	-	-	(12.73)
Deferred Tax Asset (net)	763.24	(41.51)	(2.12)	156.93	876.54

(Currency: Indian rupees in million)

32. 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
Agency business	Advisory and transactional services
Holding company activities	Development, managerial and financial support to the businesses of Edelweiss group entities

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

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

Secondary Segment

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

The following table gives information as required under the Indian Accounting Standard -108 on "Segment Reporting":

Particulars			For the year ended March 31, 2019	For the year ended March 31, 2018
I	**Segment Revenue**			
	a)	Agency business	**1,262.24**	2,101.10
	b)	Holding company activities	**1,874.00**	2,300.26
	c)	Unallocated	**67.51**	-
	Total Income		**3,203.75**	4,401.36
II	**Segment Results**			
	a)	Agency business	**260.65**	1,046.62
	b)	Holding company activities	**731.11**	682.33
	c)	Unallocated	**67.51**	-
	Profit before taxation		**1,059.27**	1,728.95
	Less : Provision for taxation		**30.49**	346.31
	Profit after taxation		**1,028.78**	1,382.64
III	**Segment Assets**			
	a)	Agency business	**311.21**	714.66
	b)	Holding company activities	**37,017.02**	33,873.87
	c)	Unallocated	**638.54**	730.49
	Total		**37,966.77**	35,319.02
IV	**Segment Liabilities**			
	a)	Agency business	**161.43**	278.88
	b)	Holding company activities	**4,279.91**	1,197.63
	c)	Unallocated	**9.42**	301.79
	Total		**4,450.76**	1,778.30

(Currency: Indian rupees in million)

Particulars			For the year ended March 31, 2019	For the year ended March 31, 2018
32.	**Segment reporting *(Continued)***			
V	**Capital Expenditure**			
	(Including intangible assets under development)			
	a)	Agency business	**16.11**	35.19
	b)	Holding company activities	**3.60**	7.85
	c)	Unallocated	**-**	-
	Total		**19.71**	43.04
VI	**Depreciation and Amortization**			
	a)	Agency business	**31.56**	33.20
	b)	Holding company activities	**7.04**	7.40
	c)	Unallocated	**-**	-
	Total		**38.60**	40.60
VII	**Significant Non-Cash Expenses Other than Depreciation and Amortization**			
	a)	Agency business	**(4.87)**	90.92
	b)	Holding company activities	**8.63**	11.24
	c)	Unallocated	**-**	-
	Total		**3.76**	102.16

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure":

(A) Subsidiaries which are controlled by the Company:

Edelweiss Securities Limited

Edelweiss Finance & Investments Limited

ECL Finance Limited

Edelweiss Global Wealth Management Limited

EC Global Limited, Mauritius (through EC International Limited, Mauritius)

Edelweiss Insurance Brokers Limited

Edelweiss Trustee Services Limited (through ECap Equities Limited)

Edelweiss Business Services Limited (Merged with Edelweiss Rural and Corporate Services Limited)

Edelcap Securities Limited (through ECap Equities Limited)

Edelweiss Asset Management Limited

ECap Equities Limited

Edelweiss Broking Limited

Edelweiss Trusteeship Company Limited

Edelweiss Alternative Asset Advisors Limited

Edelweiss Housing Finance Limited

Edelweiss Investment Adviser Limited

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(A) Subsidiaries which are controlled by the Company: (Continued)

EC Commodity Limited (through Edelweiss Rural & Corporate Services Limited)

EFSL Trading Limited (Merged with EFSL Comtrade Limited)

Edel Commodities Limited (Merged with Edelweiss Rural and Corporate Services Limited)

Edel Land Limited

Edelweiss Custodial Services Limited (through Edelweiss Securities Limited)

EC International Limited, Mauritius

Edelweiss Capital (Singapore) Pte. Limited

Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)

Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)

Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)

EAAA LLC, Mauritius (through EC International Limited)

EW Special Opportunities Advisors LLC, Mauritius (through EAAA LLC)

EW India Special Assets Advisors LLC, Mauritius (through EAAA LLC)

Edel Investments Limited

Edelweiss Tokio Life Insurance Company Limited

Edelweiss Investment Advisors Private Limited, Singapore (through Edelweiss Capital (Singapore) Pte. Limited)

Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited)

Edelweiss Comtrade Limited (through Edelweiss Rural & Corporate Services Limited)

Edel Finance Company Limited

Edelweiss Capital Markets Limited (Merged with Edelweiss Rural and Corporate Services Limited)

EFSL Comtrade Limited (Merged with Edelweiss Rural and Corporate Services Limited)

Edelweiss Retail Finance Limited (through Edelcap Securities Limited)

Edelweiss Securities (Hong Kong) Private Limited (through Edelweiss Securities Limited)

Edelweiss Financial Services Inc, United States of America (through Edelweiss Securities Limited)

Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural and Corporate Services Limited)

EdelGive Foundation

Edelweiss Multi Strategy Funds Management Private Limited (Merged with Edelweiss Asset Management Limited)

Edelweiss Resolution Advisors LLP (through Edelweiss Rural and Corporate Services Limited)

Edelweiss India Capital Management, Mauritius (through Edelweiss Multi Strategy Funds Management Private Limited) (Upto June 30, 2018)

Edelweiss Multi Strategy Fund Adivsors LLP (through Edelweiss Rural and Corporate Services Limited)

EFSL International Limited, Mauritius (through EC International Limited)

Edelweiss Financial Services (UK) Limited, United Kingdom (through Edelweiss Securities Limited)

Edelweiss Holdings Limited (through ECap Equities Limited)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(A) Subsidiaries which are controlled by the Company: (Continued)

Edelweiss AIF Fund I - EW Clover Scheme -1 (through Edelcap Securities Limited)

Edelweiss General Insurance Company Limited

Edelweiss Finvest Private Limited (through Edelweiss Rural and Corporate Services Limited)

Edelweiss Asset Reconstruction Company Limited (through Edelweiss Custodial Services Limited)

Edelweiss Private Equity Tech Fund (through Ecap Equities Limited)

Edelweiss Securities (IFSC) Limited

Edelweiss Value and Growth Fund (through Ecap Equities Limited)

Retra Ventures Private Limited (through Ecap Equities Limited)

Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited) (from November 29, 2018)

Edelweiss Fund Advisors Private Limited (Merged with Edelweiss Rural and Corporate Services Limited)

Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited) (through Edelweiss Securities Limited)

Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited) (through Edelweiss Securities Limited)

Lichen Metals Private Limited (through Edelvalue Partners)

Edelvalue Partners (through Edelweiss Securities and Investments Private Limited)

Alternative Investment Market Advisors Private Limited (through Ecap Equities Limited)

(B) Enterprises over which control is exercised by the Company:

Trust name :

EARC SAF - 2 Trust

EARC Trust - SC 6

EARC Trust - SC 7

EARC Trust - SC 9

EARC Trust - SC 102

EARC Trust - SC 109

EARC Trust - SC 112

EARC Trust - SC 130

EARC SAF - 3 Trust

EARC Trust - SC 223

EARC Trust - SC 229

EARC Trust - SC 238

EARC Trust - SC 245

EARC Trust - SC 251

EARC Trust - SC 266

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(B) Enterprises over which control is exercised by the Company: (Continued)

EARC Trust - SC 262

EARC Trust - SC 263

EARC Trust - SC 293

EARC Trust - SC 297

EARC Trust - SC 308

EARC Trust - SC 314

EARC Trust - SC 325

EARC Trust - SC 329

EARC Trust - SC 331

EARC Trust - SC 306

EARC Trust - SC 321

EARC Trust - SC 334

EARC Trust - SC 318

EARC Trust - SC 332

EARC Trust - SC 348

EARC Trust - SC 349

EARC Trust - SC 350

EARC Trust - SC 352

EARC Trust - SC 354

EARC Trust - SC 357

EARC SAF - 1 Trust Investor Account

EARC Trust - SC 298

EARC Trust - SC 342

EARC Trust - SC 347

EARC Trust - SC 351

EARC Trust - SC 360

EARC Trust - SC 361

EARC Trust - SC 363

EARC Trust - SC 344

EARC Trust - SC 370

EARC Trust - SC 283

EARF I - Scheme 5

EARC Trust - SC 57

EARC Trust - SC 327

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(C) Associates:

Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited) (upto November 28, 2018)

(D) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

Mr. Rashesh Shah

Mr. Venkatchalam Ramaswamy

Ms. Vidya Shah

Ms. Aparna T. C.

(E) Key managerial personnel (KMP) :

Mr. Rashesh Shah - Chairman, Managing Director & CEO

Mr. Venkatchalam Ramaswamy - Executive Director

Mr. Himanshu Kaji - Executive Director

Mr. Rujan Panjwani - Executive Director

(F) Relatives of individuals exercising significant influence and relatives of KMP, with whom transaction have taken place:

Ms. Kaavya Venkat

Ms. Shilpa Mody

Ms. Sejal Premal Parekh

Mr. A V Ramaswamy

Ms. Sneha Sripad Desai

Ms. Shabnam Panjwani

(G) Enterprises over which KMPs / Relatives exercise significant influence, with whom transactions have taken place:

Spire Investment Advisors LLP

Shah Family Discretionary Trust

(H) Independent Directors

Mr. Berjis Desai

Mr. Biswamohan Mahapatra

Mr. Kunnasagaran Chinniah

Mr. Navtej S. Nandra

Mr. P. N. Venkatachalam

Mr. Sanjiv Misra (upto January 24, 2019)

Mr. Sunil Mitra (upto August 02, 2017)

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
	Capital Account Transactions during the year			
1	Investments in Equity shares of	Edelweiss Tokio Life Insurance Company Limited	-	2,350.03
		Edelweiss Broking Limited	1,050.99	1,783.49
		Edelweiss General Insurance Company Limited	380.00	1,650.00
		ECap Equities Limited	-	1,250.00
		Edelweiss Finvest Private Limited	-	1,180.64
		Edel Finance Company Limited	442.20	1,257.80
		ECL Finance Limited	3,456.10	-
		Edelweiss Asset Management Limited	141.30	160.14
		Edelweiss Rural & Corporate Services Limited	500.00	-
		Edelweiss Capital (Singapore) Pte. Limited	203.48	-
		Edelweiss Housing Finance Limited	500.00	500.00
		Edelweiss Retail Finance Limited	-	500.00
		Edelweiss Global Wealth Management Limited	-	150.00
		Edel Land Limited	-	146.26
		Edelweiss Securities (IFSC) Limited	-	38.88
		Edelweiss Investment Adviser Limited	-	5.00
		Edelweiss Finance & Investments Limited	-	399.51
2	Reduction in investments on account of demerger	Edelweiss Finance & Investments Limited	-	1,325.40
3	Sale of Investments in Equity shares of	EC Commodity Limited	501.43	-
		Edelweiss Fund Advisors Private Limited	0.50	-
		Edelweiss Holdings Limited	150.00	-
		Edelweiss Trustee Services Limited	0.50	-
4	Transfer Investments in Equity shares to	Edelweiss Asset Management Limited	180.05	-
5	Transfer Investments in Equity shares from	Edelweiss Multi Strategy Funds Management Private Limited	180.05	-
6	Redemption of preference share of	ECap Equities Limited	-	18.00
		Edel Investments Limited	-	9.00
	Current Account Transactions during the year			
7	Loans given to (Refer note 1)	Edelweiss Rural & Corporate Services Limited	5,675.23	23,205.31
		ECL Finance Limited	-	7,000.00
		Edelweiss Capital (Singapore) Pte. Limited	1,122.44	2,985.74
		EC International Limited	955.81	419.76

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
8	Loans repaid by (Refer note 1)	Edelweiss Rural & Corporate Services Limited	**6,504.62**	22,375.91
		ECL Finance Limited	**-**	7,000.00
		EC International Limited	**1,286.67**	412.14
		Edelweiss Capital (Singapore) Pte. Limited	**2,108.97**	907.21
		Edelweiss Securities Limited	**-**	42.65
		Edelweiss Securities (IFSC) Limited	**6.53**	-
		Edelweiss Broking Limited	**-**	2,573.55
		Edelweiss Comtrade Limited	**-**	53.53
		Edelweiss Asset Management Limited	**-**	111.19
9	Loans taken from (Refer note 1)	Edelweiss Rural & Corporate Services Limited	**3,636.36**	2,968.60
10	Loans repaid to (Refer note 1)	Edelweiss Rural & Corporate Services Limited	**-**	10,118.93
11	Margin placed with Broker (Refer note 1)	Edelweiss Securities Limited	**0.04**	0.30
		Edelweiss Custodial Services Limited	**55.92**	6.51
12	Margin withdrawn from Broker (Refer note 1)	Edelweiss Securities Limited	**0.53**	0.01
		Edelweiss Custodial Services Limited	**0.01**	12.18
13	Reimbursement paid to	Edelweiss Securities Limited	**429.88**	-
		ECap Equities Limited	**27.58**	96.00
		ECL Finance Limited	**268.43**	-
		Edelweiss Rural & Corporate Services Limited	**108.18**	12.22
		Edel Investments Limited	**2.24**	-
		Edelcap Securities Limited	**6.77**	-
		Edelweiss Alternative Asset Advisors Limited	**55.82**	-
		Edelweiss Asset Management Limited	**16.47**	-
		Edelweiss Asset Reconstruction Company Limited	**28.67**	-
		Edelweiss Broking Limited	**53.89**	-
		Edelweiss Comtrade Limited	**0.03**	-
		Edelweiss Custodial Services Limited	**15.27**	-
		Edelweiss Finance & Investments Limited	**11.91**	-
		Edelweiss Finvest Private Limited	**6.71**	2.00
		Edelweiss General Insurance Company Limited	**9.25**	1.59
		Edelweiss Global Wealth Management Limited	**24.85**	-
		Edelweiss Housing Finance Limited	**64.56**	-
		Edelweiss Insurance Brokers Limited	**16.98**	-
		Edelweiss Investment Adviser Limited	**0.53**	-
		Edelweiss Retail Finance Limited	**10.26**	-
		Edelweiss Tokio Life Insurance Company Limited	**18.66**	-
		EC Commodity Limited	**1.22**	-

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
14	Reimbursement recovered from	Edelweiss Rural & Corporate Services Limited	-	0.14
		Edelweiss Alternative Asset Advisors Limited	-	0.26
		Edelweiss Asset Reconstruction Company Limited	-	0.50
		Edelweiss Finance & Investments Limited	-	0.07
15	Sale of Fixed Assets to	Edelweiss Securities Limited	0.01	-
		Edelweiss Rural & Corporate Services Limited	0.11	-
		ECL Finance Limited	0.00	-
		Edelweiss Finvest Private Limited	0.00	-
		Edelweiss Broking Limited	0.10	-
		Edelweiss Asset Management Limited	0.01	-
		Edelweiss Alternative Asset Advisors Limited	0.04	-
		Edelweiss Custodial Services Limited	0.08	-
16	Purchase of Fixed Assets from	Edelweiss Housing Finance Limited	0.04	-
		Edelweiss Rural & Corporate Services Limited	0.36	-
		Edelweiss Investment Adviser Limited	0.03	-
		Edelweiss Global Wealth Management Limited	0.02	-
		Edelweiss Retail Finance Limited	0.01	-
		ECap Equities Limited	0.01	-
		Edelweiss Securities Limited	0.03	-
		Edelweiss Broking Limited	0.23	-
		ECL Finance Limited	0.05	-
17	Dividend paid to	Mr. Rashesh Shah	203.42	196.16
		Mr. Venkatchalam Ramaswamy	81.24	78.34
		Ms. Vidya Shah	49.04	47.29
		Shah Family Discretionary Trust	54.25	52.31
		Spire Investment Advisors LLP	4.48	4.32
		Ms. Aparna T. C.	17.09	16.42
		Mr. Rujan Panjwani	18.15	17.03
		Mr. Himanshu Kaji	5.58	4.10
		Ms. Kaavya Venkat	16.51	15.92
		Ms. Sneha Sripad Desai	1.44	1.38
		Ms. Shilpa Mody	1.33	1.35
		Ms. Sejal Premal Parekh	1.33	1.35
		Ms. Shabnam Panjwani	0.80	0.53
		Mr. A V Ramaswamy	0.07	0.07
		Mr. Navtej S. Nandra	11.16	10.74
		Mr. P. N. Venkatachalam	0.38	0.36
		Mr. Berjis Desai	0.19	0.14
		Mr. Sanjiv Misra	0.14	0.08

Notes to the financial statements *(Continued)*
(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
18	Remuneration paid to	Mr. Rashesh Shah	**72.66**	64.23
		Mr. Venkatchalam Ramaswamy	**53.70**	1.20
		Mr. Himanshu Kaji	**24.93**	51.43
		Mr. Rujan Panjwani	**19.06**	31.34
19	Dividend Income received from	Edelweiss Securities Limited	**1,006.61**	301.46
		Edelweiss Rural & Corporate Services Limited	**-**	248.62
		Ecap Equities Limited	**1.26**	300.00
		Edel Investments Limited	**151.65**	-
		Edelweiss Holdings Limited	**12.75**	-
		Edelweiss Trustee Services Limited	**11.50**	-
20	Rating support fee earned from	ECL Finance Limited	**2.10**	1.74
		Edelweiss Rural & Corporate Services Limited	**1.31**	1.11
		Edelweiss Securities Limited	**0.07**	0.15
		Edelweiss Retail Finance Limited	**0.16**	0.22
		Edelweiss Housing Finance Limited	**0.29**	0.34
		Edelweiss Custodial Services Limited	**0.08**	-
		ECap Equities Limited	**0.16**	0.07
		Edelweiss Finance & Investments Limited	**0.12**	0.26
		Edel Finance Company Limited	**0.06**	-
		Edelweiss Finvest Private Limited	**0.18**	0.21
		Edelweiss Asset Reconstruction Company Limited	**0.28**	0.20
21	Fee / commission earned from	Aster Commodities DMCC	**-**	24.69
		EC Global Limited	**-**	10.12
		Edelweiss Tokio Life Insurance Company Limited	**20.00**	20.00
		Edelweiss International (Singapore) Pte. Limited	**1.66**	2.54
		Edelweiss Rural & Corporate Services Limited	**57.08**	142.78
		Edelweiss Finvest Private Limited	**121.52**	79.78
		Edelweiss Finance & Investments Limited	**4.38**	24.71
		ECap Equities Limited	**49.29**	28.25
		Edelweiss Custodial Services Limited	**12.44**	10.06
		Edelweiss Housing Finance Limited	**11.53**	7.03
		ECL Finance Limited	**3.21**	9.92
		Edelweiss Asset Reconstruction Company Limited	**13.66**	13.62
		Edelweiss Securities Limited	**0.40**	-

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
22	Interest Income on loan given	Edelweiss Rural & Corporate Services Limited	-	513.64
		Edelweiss Securities Limited	-	1.85
		ECL Finance Limited	-	81.36
		EC International Limited	**71.24**	45.14
		Edelweiss Capital (Singapore) Pte. Limited	**183.01**	197.98
		Edelweiss Securities (IFSC) Limited	**0.07**	0.43
		Edelweiss Comtrade Limited	-	1.39
		Edelweiss Broking Limited	-	23.62
		Edelweiss Asset Management Limited	-	4.67
23	Interest income on margin from	Edelweiss Securities Limited	**0.01**	0.01
		Edelweiss Custodial Services Limited	**0.84**	0.46
24	Interest expense on loan taken	Edelweiss Rural & Corporate Services Limited	**112.70**	213.26
25	Commission & Sub-brokerage paid to	Edelweiss Securities Limited	-	0.12
		Edelweiss Custodial Services Limited	-	0.06
26	Rent expense paid to	Edelweiss Rural & Corporate Services Limited	**61.69**	60.88
		Edelweiss Securities Limited	**2.84**	1.41
		Edelweiss Housing Finance Limited	**0.05**	0.20
		ECap Equities Limited	**5.27**	3.67
		Edelweiss Retail Finance Limited	**0.07**	0.02
		Edelweiss Global Wealth Management Limited	**0.01**	0.06
		Edelweiss Broking Limited	**3.91**	4.37
		ECL Finance Limited	**0.94**	0.12
		Edelweiss Asset Management Limited	**0.71**	0.42
27	Legal & Prof. Fees paid to	Edelweiss Financial Services Inc.	**31.95**	-
28	Other expenses paid to	Edelweiss Custodial Services Limited	**0.09**	-
		Edelweiss Securities Limited	-	0.07
		Edelweiss Rural & Corporate Services Limited	-	29.07
29	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	**59.22**	37.12
		Edelweiss Securities Limited	**1.15**	0.68
		Edelweiss Asset Management Limited	**0.17**	0.01
		ECap Equities Limited	**0.43**	0.29
		ECL Finance Limited	**0.09**	0.01
		Edelweiss Broking Limited	**1.46**	0.59
		Edelweiss Retail Finance Limited	**0.05**	-
		Edelweiss Housing Finance Limited	**0.05**	0.07

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
30	Cost reimbursements recovered from	Edelweiss Securities Limited	**14.61**	1.72
		Edelweiss Rural & Corporate Services Limited	**46.32**	4.38
		ECL Finance Limited	**35.69**	1.83
		Edelweiss Tokio Life Insurance Company Limited	**84.39**	2.68
		Edelweiss Broking Limited	**57.08**	1.82
		Edelweiss Investment Adviser Limited	**3.70**	0.13
		Edelweiss Finvest Private Limited	**0.92**	0.01
		Edelweiss Custodial Services Limited	**3.89**	0.15
		Edelweiss Comtrade Limited	**1.89**	0.13
		ECap Equities Limited	**1.78**	0.22
		Edelweiss Asset Management Limited	**5.73**	0.23
		Edelweiss Asset Reconstruction Company Limited	**4.31**	0.25
		Edelweiss Global Wealth Management Limited	**1.79**	0.54
		Edelvalue Partners	**0.01**	-
		Edelweiss Housing Finance Limited	**23.48**	0.57
		Edelweiss Finance & Investments Limited	**1.70**	0.21
		Edelweiss Retail Finance Limited	**8.06**	0.35
		Edel Land Limited	**0.21**	-
		Edelweiss Multi Strategy Fund Adivsors LLP	**0.10**	-
		Edelweiss Multi Strategy Funds Management Private Limited	**-**	0.06
		Edelweiss Alternative Asset Advisors Limited	**5.57**	0.58
		Edelweiss Insurance Brokers Limited	**4.78**	0.27
		Edelweiss General Insurance Company Limited	**6.25**	0.06
		Edel Investments Limited	**0.49**	0.03
		Edel Finance Company Limited	**0.03**	-
		EC Commodity Limited	**0.60**	0.05
		Edelcap Securities Limited	**3.53**	0.26
		Lichen Metals Private Limited	**0.06**	-
		EdelGive Foundation	**0.00**	-
		Allium Finance Private Limited	**0.03**	0.00
		Alternative Investment Market Advisors Private Limited	**0.24**	-

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
	Current Account Transactions (Continued)			
31	Transfer of gratuity liability on account of employee transfer to	Edelweiss Alternative Asset Advisors Limited	**0.04**	1.00
		Edelweiss Asset Reconstruction Company Limited	**-**	0.70
		Edelweiss Custodial Services Limited	**0.03**	-
		Edelweiss Finvest Private Limited	**0.13**	-
		Edelweiss Rural & Corporate Services Limited	-	0.10
		Edelweiss General Insurance Company Limited	**-**	0.16
		Edelweiss Tokio Life Insurance Company Limited	**-**	0.10
32	Transfer of gratuity liability on account of employee transfer from	ECL Finance Limited	**0.03**	-
		ECap Equities Limited	**-**	0.66
		Edelweiss Securities Limited	**1.91**	-
33	Directors nomination deposits placed with	Edelweiss General Insurance Company Limited	**-**	0.30
		Edelweiss Tokio Life Insurance Company Limited	**-**	0.30
		EC Commodity Limited	**-**	0.20
		Edelweiss Holdings Limited	**-**	0.30
		Edelweiss Securities (IFSC) Limited	**-**	0.30
		Edelweiss Global Wealth Management Limited	-	0.40
		Edelweiss Securities Limited	**-**	0.30
		Edel Land Limited	**-**	0.20
		Edelweiss Investment Adviser Limited	-	0.10
		Edelweiss Asset Management Limited	**-**	0.10
		Edelweiss Finance & Investments Limited	-	0.10
		Edelweiss Rural & Corporate Services Limited	-	0.30
		ECL Finance Limited	**-**	0.10
34	Directors nomination deposits repaid by	Edelweiss Global Wealth Management Limited	-	0.40
		Edelweiss Tokio Life Insurance Company Limited	**-**	0.30
		Edelweiss General Insurance Company Limited	**-**	0.30
		Edelweiss Securities Limited	**-**	0.30
		Edelweiss Asset Management Limited	**-**	0.10
		Edelweiss Holdings Limited	**-**	0.30
		Edelweiss Securities (IFSC) Limited	**-**	0.30
		Edelweiss Rural & Corporate Services Limited	-	0.20
		EC Commodity Limited	-	0.20
		Edelweiss Investment Adviser Limited	-	0.10

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
35	Directors' sitting fees paid to	Berjis Desai	**0.26**	0.42
		Biswamohan Mahapatra	**0.28**	0.36
		Kunnasagaran Chinniah	**0.40**	0.26
		Navtej S. Nandra	**0.30**	0.20
		P N Venkatachalam	**0.48**	0.46
		Sanjiv Misra	**0.28**	0.22
		Sunil Mitra	**-**	0.08
36	Commission paid to Non executive directors	Berjis Desai	**1.30**	1.30
		Biswamohan Mahapatra	**1.30**	1.30
		Kunnasagaran Chinniah	**1.30**	1.30
		Navtej S. Nandra	**1.30**	1.30
		P N Venkatachalam	**1.30**	1.30
		Sanjiv Misra	**1.30**	1.30
		Sunil Mitra	**-**	1.30
37	Contribution towards corporate social responsibility	Edelgive Foundation	**34.70**	38.00
	Balances with related parties			
38	Investments in Equity Shares in	ECL Finance Limited	**8,646.66**	5,190.56
		Edelweiss Tokio Life Insurance Company Limited	**5,992.24**	5,992.24
		Edelweiss Finance & Investments Limited	**1,692.23**	1,692.23
		Edelweiss Alternative Asset Advisors Limited	**110.80**	110.80
		Edelweiss Asset Management Limited	**1,546.49**	1,225.14
		Edelweiss Broking Limited	**3,140.28**	2,089.29
		Edelweiss Rural & Corporate Services Limited	**1,608.00**	1,108.00
		EC International Limited	**6.20**	6.20
		ECap Equities Limited	**1,260.00**	1,260.00
		Edelweiss Retail Finance Limited	**908.18**	908.18
		Edelweiss Capital (Singapore) Pte. Limited	**523.22**	319.74
		Edel Investments Limited	**46.00**	46.00
		Edel Land Limited	**147.61**	147.61
		EdelGive Foundation	**0.10**	0.10
		Edelweiss Housing Finance Limited	**1,155.50**	655.50
		Edelweiss Insurance Brokers Limited	**25.00**	25.00
		Edelweiss Trusteeship Company Limited	**1.00**	1.00
		Edelweiss Global Wealth Management Limited	**195.63**	195.63
		Edelweiss Investment Adviser Limited	**5.50**	5.50
		Edelweiss General Insurance Company Limited	**2,080.00**	1,700.00
		Edel Finance Company Limited	**1,700.00**	1,257.80
		Edelweiss Finvest Private Limited	**1,180.64**	1,180.64

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
		Edelweiss Securities (IFSC) Limited	**147.54**	147.54
		Edelweiss Securities Limited	**92.00**	92.00
		Edelweiss Asset Reconstruction Company Limited	**434.89**	434.89
		EC Commodity Limited	**-**	501.43
		Edelweiss Multi Strategy Funds Management Private Limited	**-**	180.05
		Edelweiss Holdings Limited	**-**	150.00
		Edelweiss Trustee Services Limited	-	0.50
		Edelweiss Fund Advisors Private Limited	-	0.50
39	Accrued interest on loans given to	Edelweiss Rural & Corporate Services Limited	-	29.15
		EC International Limited	**29.38**	23.37
		Edelweiss Capital (Singapore) Pte. Limited	**111.90**	95.15
		Edelweiss Securities (IFSC) Limited	**-**	0.46
40	Accrued interest on loans taken from	Edelweiss Rural & Corporate Services Limited	**24.33**	-
41	Advances with	Edelweiss Securities Limited	**-**	0.01
		Edelweiss Tokio Life Insurance Company Limited	**-**	29.66
		Edelweiss Alternative Asset Advisors Limited	**-**	0.02
		Edelweiss Finance & Investments Limited	-	1.06
		Edelweiss Custodial Services Limited	-	0.01
		Edelweiss Housing Finance Limited	-	0.03
		Edelweiss Asset Reconstruction Company Limited	-	0.06
		Edelweiss Asset Management Limited	**-**	0.38
		Allium Finance Private Limited	-	0.05
		Edelweiss Investment Adviser Limited	-	0.05
		Edelweiss Capital (Singapore) Pte. Limited	**-**	1.90
42	Loans given to	Edelweiss Rural & Corporate Services Limited	-	829.39
		EC International Limited	**380.96**	711.82
		Edelweiss Capital (Singapore) Pte. Limited	**1,972.34**	2,958.87
		Edelweiss Securities (IFSC) Limited	-	6.53
43	Loans taken from	Edelweiss Rural & Corporate Services Limited	**3,636.36**	-

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
44	Trade payables to	Edelweiss Securities Limited	-	16.63
		Edelweiss Rural & Corporate Services Limited	-	21.95
		Edelweiss Finance & Investments Limited	-	1.05
		Edelweiss Investment Adviser Limited	**0.49**	0.19
		Ecap Equities Limited	-	1.99
		Edelweiss Broking Limited	-	1.90
		Aster Commodities DMCC	-	24.53
		Edelweiss Financial Services Inc.	**17.33**	-
		Edelvalue Partners	**0.02**	-
		Edelweiss Alternative Asset Advisors Limited	-	1.00
		Edelweiss Asset Reconstruction Company Limited	-	0.71
		Edelweiss Global Wealth Management Limited	-	0.63
		Edelweiss Asset Management Limited	-	0.39
		ECL Finance Limited	-	0.18
		Edelweiss Tokio Life Insurance Company Limited	-	0.10
		Edelweiss Housing Finance Limited	-	0.08
		Edelweiss Insurance Brokers Limited	-	0.04
		Edelweiss Custodial Services Limited	-	0.01
45	Trade receivables from	EC Global Limited	-	10.12
		Edelweiss International (Singapore) Pte. Limited	**1.66**	2.54
		Edelweiss Rural & Corporate Services Limited	**22.80**	188.17
		Edelweiss Finvest Private Limited	**142.26**	90.39
		ECap Equities Limited	**64.84**	32.02
		ECL Finance Limited	**53.23**	13.09
		Edelcap Securities Limited	**1.04**	0.16
		Edelweiss Tokio Life Insurance Company Limited	**32.39**	-
		Edel Finance Company Limited	**0.07**	-
		Edelweiss Asset Management Limited	**2.51**	-
		Edelweiss Asset Reconstruction Company Limited	**17.66**	15.61
		Edelweiss Custodial Services Limited	**17.38**	11.37
		Edelweiss Finance & Investments Limited	**10.57**	3.16
		Edelweiss Alternative Asset Advisors Limited	**9.37**	-
		Edel Land Limited	**0.07**	-
		Edelweiss General Insurance Company Limited	**13.57**	-
		Edelweiss Housing Finance Limited	**20.26**	8.41
		Edelweiss Global Wealth Management Limited	**17.71**	-
		EC Commodity Limited	**0.12**	-
		Edelweiss Broking Limited	**39.31**	-
		Edelweiss Comtrade Limited	**0.05**	-

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
		Edelweiss Insurance Brokers Limited	**0.43**	-
		Edelweiss Retail Finance Limited	**1.07**	0.24
		Alternative Investment Market Advisors Private Limited	**0.01**	-
		Edelweiss Securities Limited	**16.91**	-
		Allium Finance Private Limited	**0.00**	-
		Edelweiss Capital (Singapore) Pte. Limited	**1.93**	-
		Edel Investments Limited	**0.38**	0.00
46	Margin placed with broker	Edelweiss Securities Limited	**-**	0.48
		Edelweiss Custodial Services Limited	**66.18**	10.27
47	Directors nomination deposits placed with	Edelweiss Securities Limited	**0.20**	0.20
		Edelweiss Finance & Investments Limited	**0.50**	0.50
		ECap Equities Limited	**0.10**	0.10
		Edelweiss Alternative Asset Advisors Limited	**0.10**	0.10
		Edel Land Limited	**0.10**	0.10
		Edelweiss Asset Management Limited	**0.10**	0.10
		ECL Finance Limited	**0.10**	0.10
		Edelweiss Rural & Corporate Services Limited	**0.10**	0.10
48	Corporate guarantee given to	Edelweiss Rural & Corporate Services Limited	**1,387.17**	20,892.05
		Edelweiss Custodial Services Limited	**17,850.00**	16,750.00
		Ecap Equities Limited	**6,866.80**	9,162.50
		Edelweiss Asset Reconstruction Company Limited	**16,067.30**	9,970.90
		Edelweiss Finvest Private Limited	**5,030.10**	8,480.00
		Edelweiss Finance & Investments Limited	**916.77**	1,243.54
		Edelweiss Housing Finance Limited	**3,106.17**	323.40
		Edelweiss International (Singapore) Pte. Limited	**-**	520.35
		ECL Finance Limited	**54.00**	54.00
		Edelweiss Securities Limited	**2.50**	-

0.00 indicates amount less than 0.01 million.

Note:

1 The Intra group company loans are generally in the nature of revolving demand loans unless otherwise stated. Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.

2 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis.

(Currency: Indian rupees in million)

33. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(I) Transactions and balances with related parties (Continued)

3 Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad. Further With effect from the Appointed Date i.e. August 01, 2018, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited). 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 Edelweiss Rural & Corporate Services Limited and disclosed accordingly.

4 Edelweiss Multi Strategy Funds Management Private Limited was merged into Edelweiss Asset Management Limited vide Order of National Company Law Tribunal at Mumbai. Further With effect from the Appointed Date i.e. April 01, 2017, Edelweiss Multi Strategy Funds Management Private Limited have been merged into Edelweiss Asset Management Limited. 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 Edelweiss Asset Management Limited and disclosed accordingly.

34. Earnings per share

In accordance with Indian Accounting Standard 33 – "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

Particulars		**2019**	2018
a.	Shareholders earnings (as per statement of profit and loss)	**1,028.78**	1,382.64
b.	Calculation of weighted average number of equity shares of ₹ 1 each:		
	- Number of shares outstanding at the beginning of the year	**870,602,147**	787,672,309
	- Number of shares issued during the year	**17,170,637**	82,929,838
	Total number of equity shares outstanding at the end of the year	**887,772,784**	870,602,147
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**882,564,701**	825,430,066
c.	Number of dilutive potential equity shares	**14,761,041**	27,921,341
d.	Basic earnings per share (in ₹) {a/b}	**1.17**	1.68
e.	Diluted earnings per share (in ₹) {a/(b+c)}	**1.15**	1.62

35. Cost sharing

Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), a subsidiary company, incurs expenditure like rent and electricity expenditure, etc. which is for the common benefit of Edelweiss Group. This cost so expended is reimbursed by the company on the basis of number of employees, area occupied, actual identifications etc.

(Currency: Indian rupees in million)

36. Employee stock option plans

Edelweiss Financial Services Limited ("EFSL" hereafter), using the Black-Scholes Option Pricing Model, the fair value of outstanding stock options as at, expenses for the years ended March 31, 2017, March 31, 2018 and March 31, 2019 in respect of the accounting under Ind AS 102: Share-based Payments. The grants represent equity-settled options under the Employee Stock Option Plans (hereafter referred to as "ESOP 2010" and "ESOP 2011" or together referred as "ESOPs").

The Edelweiss group has granted ESOPs under the three plans viz., ESOP 2010 and ESOP 2011 to its employees on an equity-settled basis as tabulated below. The ESOPs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

	ESOP 2010	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at March 31, 2019	-	20,588,627
No. of outstanding options at March 31, 2018	1,473,000	33,451,874
No. of outstanding options at March 31, 2017	4,259,750	56,658,402
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	1-4 years	1-4 years
Vesting Conditions	Service	Service

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

	ESOP 2010	ESOP 2011
Duration from grant date	**% options vesting**	**% options vesting**
12 months from the grant date	25%	25%
24 months from the grant date	25%	25%
36 months from the grant date	25%	25%
48 months from the grant date	25%	25%
Total	100%	100%

Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2010	Various	As specified in tables above	1-4 years	Equity settled
ESOP Plan 2011			1-4 years	Equity settled

(Currency: Indian rupees in million)

36. Employee stock option plans *(Continued)*

Movement of number of Options for FY 2018-19 and 2017-18

Number of options	FY 2018-19			FY 2017-18		
	ESOP 2010	**ESOP 2011**	**Total**	ESOP 2010	ESOP 2011	Total
Outstanding at the start of the year	**1,473,000**	**33,451,874**	**34,924,874**	4,259,750	56,658,402	60,918,152
Granted during the year	**-**	**4,153,750**	**4,153,750**	-	3,387,000	3,387,000
Exercised during the year	**(1,462,850)**	**(15,207,822)**	**(16,670,672)**	(2,769,750)	(25,048,690)	(27,818,440)
Lapsed/ cancelled during the year	**(10,150)**	**(1,809,175)**	**(1,819,325)**	(17,000)	(1,544,838)	(1,561,838)
Outstanding at the end of the year	**-**	**20,588,627**	**20,588,627**	1,473,000	33,451,874	34,924,874
Exercisable at the end of the year	**-**	**10,555,675**	**10,555,675**	1,473,000	15,190,574	16,663,574

Weighted Average Exercise Price for FY 2018-19 and 2017-18

Weighted Average Exercise Price (Rs)	**Year ended March 31, 2019**		Year ended March 31, 2018	
	ESOP 2010	**ESOP 2011**	ESOP 2010	ESOP 2011
Outstanding at the start of the year	**49.41**	**57.84**	49.2	39.19
Granted during the year	**-**	**294.67**	-	197.88
Exercised during the year	**49.41**	**39.65**	49.09	35.1
Lapsed/ cancelled during the year	**48.56**	**122.76**	48.56	56.33
Outstanding at the end of the year	**-**	**117.34**	49.41	57.84
Exercisable at the end of the year	**-**	**51.27**	49.41	37.05
Weighted Average Share price at the exercise date	**49.91**	**39.61**	49.47	35.08

Outstanding Options as at March 31, 2019 and 2018

	Year ended March 31, 2019		Year ended March 31, 2018	
	ESOP 2010	**ESOP 2011**	ESOP 2010	ESOP 2011
Number of options outstanding	**-**	**20,588,627**	1,473,000	33,451,874
Weighted average strike price (Rs)	**-**	**117.34**	49.41	57.84
Weighted average remaining lifetime of options (in years)	**-**	**0.55**	-	0.39
Number of employees covered under the scheme	**-**	**446**	68	523

Options granted during FY 2018-19 and 2017-18

	Year ended March 31, 2019		Year ended March 31, 2018	
	ESOP 2010	**ESOP 2011**	ESOP 2010	ESOP 2011
Number of options granted	**NA**	**4,153,750**	NA	3,387,000
Weighted average strike price (in Rs)	**NA**	**294.67**	NA	197.88
Weighted average remaining lifetime of options (in years)	**NA**	**3.50**	NA	3.50
Number of employees covered under the scheme	**NA**	**179.00**	NA	141.00
Weighted Average Fair value per option (in Rs)	**NA**	**112.57**	NA	78.21
Weighted Average Intrinsic value per option (in Rs)	**NA**	**2.59**	NA	1.55

(Currency: Indian rupees in million)

36. Employee stock option plans *(Continued)*

Assumptions for Fair Value for FY 2018-19 and 2017-18

	Year ended March 31, 2019		Year ended March 31, 2018	
	ESOP 2010	**ESOP 2011**	ESOP 2010	ESOP 2011
Weighted average share price (in Rs)	**NA**	**116.93**	49.90	57.32
Weighted average strike price (in Rs)	**NA**	**117.34**	49.41	57.84
Weighted average remaining lifetime of options (in years)	**NA**	**0.55**	-	0.39
Expected volatility (% p.a.)	**NA**	**33% - 54% p.a.**	33% - 42% p.a.	33% - 54% p.a.
Risk-free discount rate (% p.a.)	**NA**	**6.0% - 8.5% p.a.**	7.3% - 7.6% p.a.	6.0% - 8.5% p.a.
Expected dividend yield (% p.a.)	**NA**	**0.4% - 3.1% p.a.**	0.9% - 1.4% p.a.	0.4% - 3.1% p.a.

Other Disclosures

	Year ended March 31, 2019			Year ended March 31, 2018		
	ESOP 2010	**ESOP 2011**	**Total**	ESOP 2010	ESOP 2011	Total
Charges during the year due to share based payments	**(2.56)**	**228.04**	**225.48**	0.72	154.21	154.93
Changes in fair value of share based payments due to any modifications made during the year	**-**	**-**	**-**	-	-	-
Liability due for share based payments	**-**	**460.59**	**460.59**	29.31	442.77	472.07
Intrinsic value of the liability above	**-**	**-**	**-**	-	-	-

37 Employee Benefits

a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate.These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 25.04 million (Previous year: ₹ 19.20 million) for provident fund and other contributions in the statement of profit and loss.

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan 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 gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

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.

(Currency: Indian rupees in million)

37 Employee Benefits *(Continued)*

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
Present Value of DBO at Start of the year	**40.52**	32.03
Service Cost		
a. Current Service Cost	**6.39**	5.80
b. Past Service Cost	**-**	10.06
c. Loss/(Gain) from Settlement	**-**	-
Interest Cost	**3.09**	2.08
Benefits Paid	**(2.27)**	(2.45)
Re-measurements		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	**-**	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	**0.68**	(1.05)
c. Actuarial Loss/(Gain) from experience over last past year	**(1.84)**	(4.57)
Transfer In / (Out)	**1.73**	(1.38)
Present Value of DBO at end of the year	**48.30**	40.52

Reconciliation of Fair Value of Plan Assets

	March 31 ,2019	March 31 ,2018
Fair Value of Plan Assets at start of the year	**41.60**	32.43
Contributions by Employer	**5.00**	9.00
Benefits Paid	**(2.27)**	(2.45)
Interest Income Plan Assets	**2.94**	2.12
Re-measurements		
Return on plan assets excluding amount including in net interest on the net defind benefit liability / (asset)	**0.10**	0.50
Fair Value of Plan Assets at end of the year	**47.37**	41.60
Actual Return on Plan Assets	**3.04**	2.61
Expected Employer Contributions for the coming year	**1.00**	-

Expenses recongnised in the Profit or Loss

	March 31 ,2019	March 31 ,2018
Service Cost		
a Current Service Cost	**6.39**	5.80
b. Past Service Cost	**-**	10.06
Net Interest on net defind benefit liability / (asset)	**0.14**	(0.04)
Employer Expenses	**6.53**	15.82

Net Liability / (Asset) recognised in the Balance sheet

	March 31 ,2019	March 31 ,2018
Present Value of DOB	**48.30**	40.52
Fair Value of Plan Assets	**47.37**	41.60
Liability / (Asset) recongised in the Balance Sheet	**0.93**	(1.08)
Funded Status [Surplus/ (Deficit)]	**(0.93)**	1.08
Experience Adjustment on Plan Liabilities:(Gain)/Loss	**(1.84)**	(4.57)

(Currency: Indian rupees in million)

37 Employee Benefits *(Continued)*

Percentage Break-down of Total Plan Assets

	March 31 ,2019	March 31 ,2018
Equity instruments	**0.0%**	0.0%
Debt instruments	**0.0%**	0.0%
Real estate	**0.0%**	0.0%
Derivatives	**0.0%**	0.0%
Investment Funds with Insurance Company	**100%**	100%
Of which, Unit Linked	**100%**	100%
Of which, Traditional/ Non-Unit Linked	**0.0%**	0.0%
Asset-backed securities	**0.0%**	0.0%
Structured debt	**0.0%**	0.0%
Cash and cash equivalents	**0.0%**	0.0%
Total	**100%**	100%

Actuarial assumptions:

	March 31, 2019	March 31, 2018
Salary Growth Rate (% p.a)	**7% p.a**	7% p.a
Discount Rate (% p.a)	**7% p.a**	7.3% p.a
Withdrawal Rate (% p.a)		
Senior	**13% p.a**	13% p.a
Middle	**18% p.a**	18% p.a
Junior	**25% p.a**	25% p.a
Mortality Rate	**IALM 2012-14 (Ultimate)**	IALM 2006-08 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	**7.3% p.a**	6.8% p.a
Expected weighted average remaining working life (years)	**4 Years**	6 Years

Movement in Other Comprehensive Income

	March 31 ,2019	March 31 ,2018
Balance at start of year (Loss)/ Gain	**NIL***	NIL*
Re-measurements on DBO		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	**-**	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	**(0.68)**	1.05
c. Actuarial Loss/(Gain) from experience over last past year	**1.84**	4.57
Re-measurements on Plan Assets		
Return on plan assets excluding amount including in net interest on the net defind benefit liability / (asset)	**0.10**	0.50
Balance at end of year (Loss)/ Gain	**1.26**	6.12

* Ind AS 19 is being adopted from financial year 2018-19 and date of transition being April 01, 2018. So, prior year disclosures are for comparative purpose only.

(Currency: Indian rupees in million)

37 Employee Benefits *(Continued)*

Senitivity Analysis

DOB increases / (decreases) by	**March 31 ,2019**	March 31 ,2018
1 % Increase in Salary Growth Rate	**1.88**	1.72
1 % Decrease in Salary Growth Rate	**(1.75)**	(1.62)
1 % Increase in Discount Rate	**(1.74)**	(1.60)
1 % Decrease in Discount Rate	**1.89**	1.73
1 % Increase in Withdrawal Rate	**(0.24)**	(0.17)
1 % Decrease in Withdrawal Rate	**0.24**	0.17
Mortality (Increase in expected lifetime by 1 year)	**Negligible Change**	(1.00)
Mortality (Increase in expected lifetime by 3 year)	**Negligible Change**	(2.00)

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 ,2019	March 31 ,2018
Surplus / (Deficit) at start of year	**1.08**	0.40
Net (Acquisition) / Divestiture	**-**	-
Net Tranfer (In)/ Out	**(1.73)**	1.38
Movement during the year		
Current Service Cost	**(6.39)**	(5.80)
Past Service Cost	**-**	(10.06)
Net Interest on net DBO	**(0.15)**	0.04
Re-measurements	**1.26**	6.12
Contributions / Benefits	**5.00**	9.00
Surplus / (Deficit) at end of year	**(0.93)**	1.08

c) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.

Other Disclosures

Description of Asset Liability Matching (ALM) Policy

The Company has an insurance plans invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 4 years (March 31,2018: 6 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

(Currency: Indian rupees in million)

38. Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2.94 million (Previous year: ₹ 36.01 million).

39. Contingent liabilities

a) Claims against the Company not acknowledged as debt:
Taxation matters in respect of which appeal is pending is ₹ 534.36 million for the year (Previous year: ₹ 416.14 million);

b) Other claim not acknowledged as debt:

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

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

40. Details of dues to micro, small and medium enterprises

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

41. Disclosure of loans and advances given pursuant to requirements of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Sr. no.	**Entity**	**2019**		2018	
		Loan outstanding	**Maximum amount outstanding during the year**	Loan outstanding	Maximum amount outstanding during the year
1	Edelweiss Capital (Singapore) Pte. Limited	**1,972.34**	**3,037.88**	2,958.87	3,866.08
2	Edelweiss Broking Limited	**-**	**-**	-	2,573.55
3	EC International Limited	**380.96**	**1,634.38**	711.82	1,123.96
4	Edelweiss Multi Strategy Funds Management Private Ltd.	**-**	**-**	-	111.19
5	Edelweiss Comtrade Limited	**-**	**-**	-	53.53
6	Edelweiss Securities Limited	**-**	**-**	-	42.65
7	Edelweiss Securities (IFSC) Limited	**-**	**-**	6.53	6.53
8	Edelweiss Rural and Corporate Services Limited	**-**	**6,504.63**	829.39	23,205.31
9	ECL Finance Limited	**-**	**-**	-	7,000.00

All the above loans are repayable on demand as per contracted terms.

(Currency: Indian rupees in million)

42. Capital Management

The Company manages the capital structure by a balanced mix of debt and equity. The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Company maintains sound capitalisation both from an economic and regulatory perspective. The Company continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Company's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended March 31, 2019 and March 31, 2018.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment. Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	**As at March 31, 2019**	As at March 31, 2018	As at April 01, 2017
Total Debt	**3,660.63**	276.52	8,525.59
Equity	**33,516.01**	33,540.72	16,806.61
Net Debt to Equity	**0.11**	0.01	0.51

43. Risk management

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

Risk management structure

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

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. 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.

(Currency: Indian rupees in million)

43. Risk management *(Continued)*

Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. Credit risk is monitored using various internal risk management measures and within limits approved by the board within a framework of delegated authorities. It is managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. Presently Company has credit exposure only to it's subsidiaries where adequate control and monitoring is ensured.

Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below at note number 47 summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analyzed based on expected maturity.

Market Risk:

Market risk is the risk which can affect the Company's profit/(loss) due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

Foreign exchange risk – Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign exposure is limited to investments and loans to Group entities outside India. The Company aggregates the foreign exchange exposure emerging out of these loans and the same is hedged using OTC and exchange traded derivatives. Positions are regularly monitored by the Company and rebalanced/ rolled over based on the inflow and outflow of funds.

	2018-19			
Currency	**Increase in currency rate (%)**	**Effect on profit before tax**	**Decrease in currency rate (%)**	**Effect on profit before tax**
USD	**5**	**(53.56)**	**5**	**53.56**

	2017-18			
Currency	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
USD	5	17.10	5	(17.10)

44. The Board of Directors at their meeting held on May 14, 2019, have recommended a final dividend of ₹ 0.30 per equity share (previous year: ₹ 0.30 per equity share) (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of Indian Accounting Standard (Ind AS) 10 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, the Company has not appropriated for the recommended final dividend (including tax) from the Statement of Profit and Loss for the year ended March 31, 2019.

(Currency: Indian rupees in million)

45. Fair Value measurement:

A. Valuation goverance framework

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.

B. Fair value hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy

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.

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	0.16	-	-	0.16
Total derivative financial instruments - A	0.16	-	-	0.16
Investments				
Equity instruments other than investment in subsidiaries	2.31	128.76	-	131.07
Total investments measured at fair value - B	2.31	128.76	-	131.07
Total (A+B)	**2.47**	**128.76**	**-**	**131.23**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	4.42	-	-	4.42
OTC derivatives	-	2.48	-	2.48
Total derivative financial instruments	4.42	2.48	-	6.90
	4.42	**2.48**	**-**	**6.90**

(Currency: Indian rupees in million)

45. Fair Value measurement:*(Continued)*

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy *(Continued)*

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	0.06	-	-	0.06
OTC derivatives	-	42.67	-	42.67
Total derivative financial instruments - A	0.06	42.67	-	42.73
Investments				
Equity instruments other than investment in subsidiaries	3.14	109.93	-	113.07
Total investments measured at fair value - B	3.14	109.93	-	113.07
Total (A+B)	3.20	152.60	-	155.80
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	0.66	-	-	0.66
Total derivative financial instruments	0.66	-	-	0.66
	0.66	-	-	0.66

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	1.26	-	-	1.26
OTC derivatives	-	5.56	-	5.56
Total derivative financial instruments - A	1.26	5.56	-	6.82
Investments				
Equity instruments other than investment in subsidiaries	2.47	109.93	-	112.40
Total investments measured at fair value - B	2.47	109.93	-	112.40
Total (A+B)	3.73	115.49	-	119.22

45. Fair Value measurement:*(Continued)*

D. There have been no transfers between levels during the year ended March 31, 2019 and March 31, 2018.

E. For financial assets and financial liabilities measured at amortised cost which includes short term receivables, payables, etc, their carring value approximate to respective fair value

Note :

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. 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.

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. 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."

Unquoted equity instruments:

Equity instruments in non-listed entities are re-measured at each reporting date at valuation provided by external valuer at instrument level.

Derivatives:

The Company enters into certain derivative financial instruments primarily with banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly forward exchange contracts.

Exchange traded derivatives:

Company has entered into certain exchange-traded currency futures. The Company uses latest traded prices at the reporting date to value these derivatives and classifies these instruments as Level 1 in the hierarchy.

Notes to the standalone financial statements *(Continued)*

(Currency: Indian rupees in million)

46. 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.

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	**109.98**	**-**	**109.98**	96.80	-	96.80	310.90	-	310.90
Bank balances other than cash and cash equivalents	**59.97**	**-**	**59.97**	54.77	-	54.77	4.98	-	4.98
Derivative financial instruments	**-**	**-**	**-**	42.67	-	42.67	5.56	-	5.56
Trade receivables	**527.62**	**-**	**527.62**	575.07	-	575.07	489.27	-	489.27
Loans	**2,538.68**	**-**	**2,538.68**	4,695.80	-	4,695.80	6,290.62	-	6,290.62
Investments	**-**	**33,392.51**	**33,392.51**	-	27,355.21	27,355.21	-	17,240.94	17,240.94
Other financial assets	**133.25**	**331.71**	**464.96**	28.52	444.17	472.69	235.37	591.86	827.23
Non-financial assets									
Current tax assets (net)	**-**	**425.77**	**425.77**	-	751.31	751.31	-	748.53	748.53
Deferred tax assets (net)	**-**	**258.65**	**258.65**	-	876.54	876.54	-	763.24	763.24
Property, Plant and Equipment	**-**	**13.75**	**13.75**	-	18.06	18.06	-	22.60	22.60
Intangible assets under development	**-**	**9.96**	**9.96**	-	11.91	11.91	-	37.77	37.77
Other Intangible assets	**-**	**32.23**	**32.23**	-	48.48	48.48	-	43.23	43.23
Other non- financial assets	**-**	**132.69**	**132.69**	-	319.71	319.71	-	84.80	84.80
Total Assets	**3,369.50**	**34,597.27**	**37,966.77**	5,493.63	29,825.39	35,319.02	7,336.70	19,532.97	26,869.67
Financial Liabilities									
Derivative financial instruments	**2.48**	**-**	**2.48**	-	-	-	-	-	-
Trade payables	**106.90**	**-**	**106.90**	264.20	-	264.20	143.86	-	143.86
Debt securities			**-**	276.52	-	276.52	485.72	850.00	1,335.72
Borrowings (other than debt securities)	**3,660.63**	**-**	**3,660.63**	-	-	-	7,189.87	-	7,189.87
Other financial liabilities	**271.27**	**331.71**	**602.98**	363.57	444.17	807.74	295.37	591.86	887.23
Non-financial liabilities								-	
Current tax liabilities (net)	**-**	**45.86**	**45.86**	-	278.59	278.59	-	259.40	259.40
Provisions	**-**	**10.27**	**10.27**	-	107.59	107.59	-	203.66	203.66
Other non-financial liabilities	**21.64**	**-**	**21.64**	43.66	-	43.66	43.32	-	43.32
Total Liabilities	**4,062.92**	**387.84**	**4,450.76**	947.95	830.35	1,778.30	8,158.14	1,904.92	10,063.06
Net	**(693.42)**	**34,209.43**	**33,516.01**	4,545.68	28,995.04	33,540.72	(821.44)	17,628.05	16,806.61

Note :

The Company in addition to generating operating income from merchant banking activities, is also a holding Company of profitable subsidiaries involved in diviersified businesses and receives dividend distribution at regular interval and will be comfortably able to meet it's obligations at all points of time.

47 Remaining contractual 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 OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analyzed based on expected maturity.

A. Analysis of non-derivative financial liabilities and assets by remaining contractual maturities

As at March 31, 2019	**Up to 3 months**	**Equal to or more than 6 months but less than 12 months**	**Equal to or more than 12 months but less than 3 years**	**Total**
Trade payables	**106.90**	**-**	**-**	**106.90**
Borrowings (other than debt securities)	**3,660.63**	**-**	**-**	**3,660.63**
Other financial liabilities	**271.27**	**-**	**-**	**271.27**
Total undiscounted non-derivative financial liabilities	**4,038.80**	**-**	**-**	**4,038.80**

As at March 31, 2019	**Up to 3 months**	**Equal to or more than 6 months but less than 12 months**	**Equal to or more than 12 months but less than 3 years**	**Total**
Cash and cash equivalent and other bank balances	**169.95**	**-**	**-**	**169.95**
Trade receivables	**527.62**	**-**	**-**	**527.62**
Loans	**2,538.68**	**-**	**-**	**2,538.68**
Investments at fair value through profit or loss	**2.31**	**-**	**-**	**2.31**
Other financial assets	**82.91**	**-**	**50.34**	**133.25**
Total undiscounted non-derivative financial assets	**3,321.47**	**-**	**50.34**	**3,371.81**

As at March 31, 2018	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Trade payables	264.20	-	-	264.20
Debt securities	-	276.52	-	276.52
Other financial liabilities	363.57	-	-	363.57
Total undiscounted non-derivative financial liabilities	627.77	276.52	-	904.29

As at March 31, 2018	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Cash and cash equivalent and other bank balances	151.57	-	-	151.57
Trade receivables	575.07	-	-	575.07
Loans	4,695.80	-	-	4,695.80
Investments at fair value through profit or loss	3.14	-	-	3.14
Other financial assets	6.34	-	22.18	28.52
Total undiscounted non-derivative financial assets	5,431.92	-	22.18	5,454.10

(Currency: Indian rupees in million)

47 Remaining contractual maturities *(Continued)*

As at April 01, 2017	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Trade payables	143.86	-	-	143.86
Debt securities	-	1,123.72	212.00	1,335.72
Borrowings (other than debt securities)	7,189.87	-	-	7,189.87
Other financial liabilities	295.37	-	-	295.37
Total undiscounted non-derivative financial liabilities	7,629.10	1,123.72	212.00	8,964.82

As at April 01, 2017	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Cash and cash equivalent and other bank balances	315.88	-	-	315.88
Trade receivables	489.27	-	-	489.27
Loans	6,290.62	-	-	6,290.62
Investments at fair value through profit or loss	2.47	-	-	2.47
Other financial assets	215.63	-	19.74	235.37
Total undiscounted non-derivative financial assets	7,313.87	-	19.74	7,333.61

Note :
The Company in addition to generating operating income from merchant banking activities, is also a holding Compnay of profitable subsidiaries involved in diviersified businesses and receives dividend distribution at regular interval and will be comfortably able to meet it's obligations at all points of time.

B. Maturity analysis for derivatives:

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

As at March 31, 2019	**Up to 3 months**	**Equal to or more than 6 months but less than 12 months**	**Equal to or more than 12 months but less than 3 years**	**Total**
Net settled derivatives entered into for trading purposes	**(4.26)**	**-**	**-**	**(4.26)**
Other net settled derivatives (other than those entered into for trading purposes)	**(2.48)**	**-**	**-**	**(2.48)**
Total	**(6.74)**	**-**	**-**	**(6.74)**

As at March 31, 2018	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Net settled derivatives entered into for trading purposes	(0.60)	-	-	(0.60)
Other net settled derivatives (other than those entered into for trading purposes)	42.67	-	-	42.67
Total	42.07	-	-	42.07

(Currency: Indian rupees in million)

47 B Remaining contractual maturities *(Continued)*

As at April 01, 2017	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Net settled derivatives entered into for trading purposes	1.26	-	-	1.26
Other net settled derivatives (other than those entered into for trading purposes)	5.56	-	-	5.56
Total	6.82	-	-	6.82

C. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

As at March 31, 2019	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Financial guarantee contracts issued	51,280.80	-	-	51,280.80
Total	51,280.80	-	-	51,280.80

As at March 31, 2018	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Financial guarantee contracts issued	67,396.74	-	-	67,396.74
Total	67,396.74	-	-	67,396.74

As at April 01, 2017	Up to 3 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Financial guarantee contracts issued	70,503.54	-	-	70,503.54
Total	70,503.54	-	-	70,503.54

Note :

1) The Company has undrawn line of credit amounting to Rs.2,000 Million as at March 31, 2019.

2) Outstanding Guarantees issued by the Company are reflected in the earliest time bucket as these could be invoked any time on the Company. However, considering the credit-worthiness and soundness of the subsidiary companies on whose behalf these gurantees are given, they will be able to meets it's obligations and hense the Company does not expect any devolvement of these guarantees on it.

(Currency: Indian rupees in million)

48 Other Ind AS 115 disclosures -Revenue from contract with customers

Set out below is the disaggregation of the revenue from contracts with customers.

Type of Services or service	**March 31, 2019**	March 31, 2018
Advisory fees	**1,562.24**	2,478.90
Total revenue from contracts with customers		
Geographical markets		
India	**1,443.55**	2,277.17
Outside India	**118.69**	201.73
Total revenue from contracts with customers	**1,562.24**	2,478.90
Timing of revenue recognition		
Services transferred at point in time	**1,562.24**	2,478.90
Services transferred over time	**-**	-
Total revenue from contract with customers	**1,562.24**	2,478.90

Note :

The Company satisfies its performance obligations on completion of service with regards to investment banking, advisory and other fees. The payments on these contracts is due on completion of service, the contracts do not contain a significant financing component and the consideration is not variable.

Further, at the end of the reporting period, there are no unsatisfied performance obligations with respect to existing contracts.

49 Disclosure related to collateral

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

As at March 31, 2019	**Pledge as collateral**	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	**50.00**	119.95	169.95
Trade receivables	**-**	527.62	527.62
loans	**-**	2,538.68	2,538.68
Investments	**-**	33,392.51	33,392.51
Deposits- others	**-**	50.34	50.34
Margin placed with broker	**-**	82.91	82.91
Corporate Guarantee fees receivable	**-**	331.71	331.71
Property, plant and equipment	**-**	13.75	13.75
Other non financial assets	**-**	132.69	132.69
Total assets	**50.00**	37,190.16	37,240.16

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in million)

49 Disclosure related to collateral *(Continued)*

As at March 31, 2018	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	50.00	101.57	151.57
Trade receivables	-	575.07	575.07
Derivative assets	-	42.67	42.67
loans	-	4,695.80	4,695.80
Investments	-	27,355.21	27,355.21
Deposits- others	-	22.18	22.18
Margin placed with broker	-	6.34	6.34
Corporate Guarantee fees receivable	-	444.17	444.17
Property, plant and equipment	-	18.06	18.06
Other non financial assets	-	319.71	319.71
Total assets	50.00	33,580.78	33,630.78

As at April 01, 2017	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	-	315.88	315.88
Trade receivables	-	489.27	489.27
Derivative assets	-	5.56	5.56
loans	-	6,290.62	6,290.62
Investments	-	17,240.94	17,240.94
Deposits- others	-	19.74	19.74
Dividend Receivable	-	199.49	199.49
Margin placed with broker	-	16.14	16.14
Corporate Guarantee fees receivable	-	591.86	591.86
Property, plant and equipment	-	22.60	22.60
Other non financial assets	-	84.80	84.80
Total assets	-	25,276.90	25,276.90

Notes to the standalone financial statements *(Continued)*

(Currency: Indian rupees in million)

50. Total market risk exposure

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non–trading positions are managed and monitored using other sensitivity analyses.

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
Assets									
Cash and cash equivalent and other bank balances	**169.95**	**-**	**169.95**	151.57	-	151.57	315.88	-	315.88
Derivative financial instruments	**-**	**-**	**-**	42.67	42.67	-	5.56	5.56	-
Trade receivables	**527.62**		**527.62**	575.07	-	575.07	489.27	-	489.27
Loans at amortised cost	**2,538.68**	**-**	**2,538.68**	4,695.80	-	4,695.80	6,290.62	-	6,290.62
Financial investments–FVTPL	**131.07**	**131.07**	**-**	113.07	113.07	-	112.40	112.40	-
Financial investments– at cost	**33,261.44**	**-**	**33,261.44**	27,242.14	-	27,242.14	17,128.54	-	17,128.54
Other Financial assets	**464.96**	**82.91**	**382.05**	472.69	6.34	466.35	827.23	16.14	811.09
Total	**37,093.72**	**213.98**	**36,879.74**	33,293.01	162.08	33,130.93	25,169.50	134.10	25,035.40
Liability									
Borrowings (other than debt securities)	**3,660.63**	**-**	**3,660.63**	-	-	-	7,189.87	-	7,189.87
Derivative financial instruments	**2.48**	**2.48**	**-**	-			-	-	-
Debt securities	**-**		**-**	276.52	-	276.52	1,335.72	-	1,335.72
Trade payables	**106.90**	**-**	**106.90**	264.20	-	264.20	143.86	-	143.86
Other financial liabilities	**602.98**	**-**	**602.98**	807.74	-	807.74	887.23	-	887.23
Total	**4,372.99**	**2.48**	**4,370.51**	1,348.46	-	1,348.46	9,556.68	-	9,556.68

51. The Company's major risk concentration is to financial services industry.

52. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 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.

Exemption applied

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 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 01, 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 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

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 01, 2017).

(Currency: Indian rupees in million)

53. The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

53(A) Reconciliation of Equity as at:

Particulars	**March 31, 2018**	April 01, 2017
Total shareholders fund as per Previous GAAP	**33,597.06**	17,195.14
Ind AS adjustments:		
Expected credit loss provision	**(10.95)**	(26.18)
Fair valuation of assets and liabilities	**84.43**	83.76
Fair valuation of deemed investments and ESOP	**618.07**	523.83
Consolidation of employee welfare trusts	**(1,395.00)**	(1,455.53)
Deferred tax on ESOP reserve	**659.98**	503.40
Total effect of transition to Ind AS	**(43.47)**	(370.72)
Tax on Above	**(12.87)**	(17.81)
Total Equity as per Ind AS	**33,540.72**	16,806.61

53(B) Reconciliation of total comprehensive income for the year ended March 31, 2018

Particulars	**March 31, 2018**
Net profit after tax as reported under Indian GAAP	**1,426.63**
Ind AS adjustments:	
Effective interest rate on financial assets and liabilities (net)	**2.24**
Fair valuation of assets and liabilities	**0.90**
Fair valuation of employee stock options	**(62.52)**
Others	**0.10**
Tax effect on Ind AS adjustments	**15.29**
Net profit as per Ind AS	**1,382.64**
Other Comprehensive Income after tax as per Ind AS	**4.00**
Total Comprehensive Income as per Ind AS	**1,386.64**

53(C) Notes:

i. Expected credit loss

Under Indian GAAP provision for doubtful debts were presented under trade receivables. However, under Ind AS Trade receivables are presented net of provision for expected credit losses (ECL). Consequently, the Company has reversed Indian GAAP provisions for doubtful debts and created ECL that has reduced net worth of company.

ii. Fair value of financial assets and financial liabilities

Under Indian GAAP, the Company has accounted for unrealised losses in investments and ignore any unrealised gains. Under Ind AS, the Company has classified such investments as FVTPL investments. Ind AS requires investments to be measured at fair value at each reporting date and difference between fair values being recognised in Profit and Loss. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings, net of related deferred taxes. This has increased net worth of the Company.

iii. Consolidation of employee welfare trust

Company has assessed control definition as per Ind AS and identified two entities (employee welfare trust) to be consolidated as part of the Company.

iv. Fair valuation of employee stock options

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

53. The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below. (Continued)

v. Deferred tax impact:

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. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

54. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

55. 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.

56. The financial statements for the year ended March 31, 2019 has been audited by S.R. Batliboi & Co. LLP Chartered Accountants. The financial statements for year ended March 31, 2018 and March 31, 2017 have been audited by another firm of Chartered Accountants.

57. The Comparative Ind AS financial information of the Group for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 includes in these Ind AS financial statements are based on the previously issued financial statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standard specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, audited by the predecessor auditors whose report for the year ended March 31, 2018 and March 31, 2017 dated May 03, 2018 and May 17, 2017 respectively, have expressed an unmodified opinion on those financial statements as adjusted for the difference in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by the current statutory auditors S.R. Batliboi & Co. LLP.

58. Previous year figures have been reclassified to conform to this year's classification.

59. These financial statements have been approved for issue by the Board of Directors of the Company on May 14, 2019.

Signature to notes forming part of the financial statements.

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 May 14, 2019

For and on behalf of the Board of Directors

Rashesh Shah
Chairman, Managing Director & CEO
DIN: 00008322

Himanshu Kaji
Executive Director
DIN : 00009438

S Ranganathan
Chief Financial Officer

B Renganathan
EVP & Company Secretary

Mumbai May 14, 2019

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Edelweiss Securities Limited	Edelweiss Finance & Investments Limited	ECL Finance Limited	Edelweiss Global Wealth Management Limited	EC Global Limited	Edelweiss Insurance Brokers Limited	Edelweiss Trustee Services Limited	Edelcap Securities Limited	Edelweiss Asset Management Limited	ECap Equities Limited	Edelweiss Broking Limited
Reporting currency	INR	INR	INR	INR	USD	INR	INR	INR	INR	INR	INR
Date of Incorporation / aquisation	09-07-2002	29-08-2005	18-07-2005	09-10-2007	30-12-2004	23-03-2001	08-08-2005	11-01-2008	23-08-2007	11-01-2008	07-02-2008
Exchange rate					69.17						
Paid-up Equity Share Capital	262.14	34.35	2,138.27	160.00	160.85	25.00	0.50	3.00	733.43	7.40	1,771.90
Reserves of the Subsidiary	3,541.97	1,813.36	36,356.25	(60.00)	2,505.28	322.03	0.62	1,433.40	827.77	2,939.71	219.11
Total Assets of the Subsidiary	19,322.02	25,928.82	2,74,645.89	1,868.92	2,977.18	532.47	2.93	6,861.56	2,305.16	60,768.85	14,968.64
Total Liabilities of the Subsidiary	15,517.91	24,081.11	2,36,151.37	1,768.86	311.05	185.44	1.81	5,425.16	743.96	57,821.74	12,977.63
Investments	2,888.89	-	6,585.40	384.87	13.97	-	-	3,186.86	374.93	10,780.40	0.05
Total Turnover	4,103.37	1,424.59	40,174.58	638.95	(72.20)	360.62	2.40	673.30	1,209.90	13,399.16	3,870.99
Profit/(Loss) before taxation	910.15	45.68	7,829.45	(6.82)	(225.33)	80.16	0.36	(339.57)	26.75	868.57	(931.82)
Provision for taxation	115.68	49.32	2,170.62	(82.33)	5.24	35.25	0.12	6.23	-	170.30	(418.17)
Profit/(Loss) after taxation	794.47	(3.64)	5,658.83	75.51	(230.57)	44.90	0.24	(345.80)	26.75	698.27	(513.65)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Edelweiss Trusteeship Company Limited	Edelweiss Alternative Asset Advisors Limited	Edelweiss Housing Finance Limited	Edelweiss Investment Adviser Limited	EC Commodity Limited	Edel Land Limited	Edelweiss Custodial Services Limited	EC International Limited	Edelweiss Capital (Singapore) Pte. Limited	Edelweiss Alternative Asset Advisors Pte. Limited	Edelweiss International (Singapore) Pte. Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	USD	SGD	SGD	USD
Date of Incorporation / aquisation	03-09-2007	14-05-2008	30-05-2008	11-01-2008	05-08-2008	08-10-2008	16-10-2008	11-12-2008	08-04-2008	08-08-2008	02-05-2008
Exchange rate								69.17	51.04	51.04	69.17
Paid-up Equity Share Capital	1.00	23.75	693.50	5.50	300.00	183.89	62.68	6.20	466.36	446.64	2,063.31
Reserves of the Subsidiary	3.47	(549.94)	6,995.45	(573.05)	112.09	(315.64)	948.22	(2,475.06)	(391.81)	(59.28)	(701.00)
Total Assets of the Subsidiary	4.82	1,199.48	54,517.15	10,092.20	430.69	534.36	27,739.42	483.84	2,809.15	912.34	1,758.77
Total Liabilities of the Subsidiary	0.35	1,725.67	46,828.20	10,659.75	18.60	666.12	26,728.54	2,952.70	2,734.60	524.97	396.47
Investments	3.88	26.32	-	-	-	-	628.94	482.58	2,747.45	-	137.84
Total Turnover	1.37	1,032.36	6,658.95	1,645.53	2,270.20	46.18	2,616.78	725.82	29.42	819.95	69.44
Profit/(Loss) before taxation	0.49	(51.90)	976.64	462.77	(6.15)	(288.84)	1,122.79	66.94	(247.20)	270.29	(346.58)
Provision for taxation	0.06	(1.41)	352.05	178.34	(8.19)	3.60	326.25	(0.01)	-	-	159.14
Profit/(Loss) after taxation	0.42	(50.49)	624.59	284.43	2.04	(292.44)	796.54	66.94	(247.20)	270.29	(505.72)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Aster Commodities DMCC	EAAA LLC	EW Special Opportunities Advisors LLC	EW India Special Assets Advisors LLC	Edel Investments Limited	Edelweiss Tokio Life Insurance Company Limited	Edelweiss Investment Advisors Private Limited	Edelweiss Rural & Corporate Services Limited	Edelweiss Comtrade Limited	Edel Finance Company Limited	Edelweiss Retail Finance Limited
Reporting currency	AED	USD	USD	USD	INR	INR	SGD	INR	INR	INR	INR
Date of Incorporation / aquisation	07-04-2009	21-08-2013	17-07-2009	24-07-2009	24-11-2009	25-11-2009	02-08-2010	30-04-2010	16-07-2010	16-07-2010	19-07-2012
Exchange rate	19.89	69.17	69.17	69.17			51.04				
Paid-up Equity Share Capital	133.72	62.47	21.27	88.20	33.70	3,126.21	84.45	397.75	290.00	1,000.00	429.50
Reserves of the Subsidiary	800.00	0.19	(13.13)	(83.91)	242.77	6,166.47	17.08	5,454.26	(253.81)	614.68	4,202.52
Total Assets of the Subsidiary	981.98	63.20	0.89	4.44	516.01	36,281.08	117.95	60,487.05	496.56	4,031.93	24,471.37
Total Liabilities of the Subsidiary	47.44	0.53	0.75	0.14	239.54	26,988.41	16.42	54,635.04	460.37	2,417.25	19,839.35
Investments	-	7.86	0.01	0.00	-	26,576.73	-	11,247.79	-	4,000.00	-
Total Turnover	0.16	1.16	-	-	230.91	10,575.64	100.58	31,355.45	92.06	16.86	4,484.32
Profit/(Loss) before taxation	(22.83)	(137.27)	(3.21)	(1.04)	3.94	(2,698.52)	9.43	2,123.31	(27.34)	(77.21)	508.95
Provision for taxation	-	1.91	-	-	(58.46)	-	(0.03)	783.97	0.21	0.28	170.40
Profit/(Loss) after taxation	(22.83)	(139.18)	(3.21)	(1.04)	62.39	(2,698.52)	9.47	1,339.34	(27.55)	(77.49)	338.55
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	67.00%	90.00%	100.00%	51.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Edelweiss Securities (Hong Kong) Private Limited	Edelweiss Financial Services Inc.	Edelweiss Multi Strategy Fund Advisors LLP	EFSL International Limited	Edelweiss Financial Services (UK) Limited	Edelweiss Holdings Limited	EW Clover Scheme-1	Edelweiss General Insurance Company Limited	Edelweiss Finvest Private Limited	Edelweiss Asset Reconstruction Company Limited	Edelweiss Private Equity Tech Fund
Reporting currency	USD	USD	INR	USD	GBP	INR	INR	INR	INR	INR	INR
Date of Incorporation / aquisation	06-02-2013	10-05-2013	30-04-2014	28-07-2015	27-08-2015	08-12-2015	01-08-2015	02-03-2016	31-03-2016	16-09-2016	01-10-2016
Exchange rate	46.51	80.26	0.10	412.37	26.23	150.00	500.00	2,080.00	333.26	2,437.26	259.78
Paid-up Equity Share Capital	(41.21)	3.89	2.53	(412.00)	(1.51)	3.61	99.99	(885.69)	9,831.71	14,184.95	107.32
Reserves of the Subsidiary	8.17	104.21	90.15	1.63	26.71	154.15	600.67	2,588.45	34,029.10	67,285.99	367.32
Total Assets of the Subsidiary	2.86	20.07	87.51	1.26	2.00	0.54	0.68	1,394.15	23,864.13	50,663.79	0.21
Total Liabilities of the Subsidiary	-	-	-	-	-	-	563.04	2,074.11	1,862.01	59,976.52	362.88
Investments	0.00	288.14	111.56	31.39	12.39	10.40	6.88	526.43	5,257.79	13,219.49	84.78
Total Turnover	(14.09)	11.50	(47.82)	(41.59)	0.80	9.61	(46.64)	(594.66)	2,543.06	6,308.96	83.64
Profit/(Loss) before taxation	-	2.07	(23.64)	-	(0.58)	2.37	-	-	835.04	2,251.04	
Provision for taxation	(14.09)	9.43	(24.18)	(41.59)	1.38	7.25	(46.64)	(594.66)	1,708.02	4,057.92	83.64
Profit/(Loss) after taxation	-	-	-	-	-	-	-	-	-	-	
Proposed dividend	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	74.80%	88.90%
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	74.80%	88.90%

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Edelweiss Securities (IFSC) Limited	Edelweiss Value and Growth Fund	Alternative Investment Market Advisors Private Limited	Edelweiss Wealth Advisors LLP	Lichen Metals Private Limited	Edelvalue Partners	Edelweiss Securities Trading and Management Private Limited*[1]	Edelweiss Securities and Investments Private Limited*[2]	Retra Ventures Private Limited *	Allium Finance Private Limited	Edelgive Foundation
Reporting currency	USD	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Date of Incorporation / aquisation	23-12-2016	20-05-2016	05-04-2017	30-09-2014	19-03-2008	17-07-2009	14-12-2009	14-12-2009	28-11-2017	15-06-2009	29-05-2008
Exchange rate	69.17										
Paid-up Equity Share Capital	147.34	903.88	80.00	0.07	14.09	46.62	2.00	2.00	46.70	68.26	64.20
Reserves of the Subsidiary	(22.25)	69.53	0.90	1.53	245.08	-	439.32	148.85	(24.77)	811.56	121.81
Total Assets of the Subsidiary	146.80	974.18	82.72	1.66	284.02	51.88	498.21	308.12	24.42	882.51	189.87
Total Liabilities of the Subsidiary	21.71	0.77	1.82	0.05	24.84	5.26	56.89	157.27	2.49	2.69	3.86
Investments	-	971.07	-	-	-	-	43.17	43.64	18.61	85.12	15.63
Total Turnover	2.85	62.67	3.82	-	25.78	81.61	332.74	914.38	0.97	239.44	479.63
Profit/(Loss) before taxation	(17.99)	60.09	1.86	(0.06)	16.83	30.86	92.91	59.12	(24.74)	335.48	54.31
Provision for taxation	-		0.00	-	11.49	4.34	17.19	(88.23)	0.05	91.50	-
Profit/(Loss) after taxation	(17.99)	60.09	1.86	(0.06)	5.33	26.52	75.71	147.35	(24.69)	243.97	54.31
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	88.90%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%	70.00%	100.00%

* Subsidiary Company as per Ind AS.

Note:

(1) Formerly known as Dahlia Commodities Services Private Limited

(2) Formerly known as Magnolia Commodities Services Private Limited

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "B": Associates and Joint Ventures

As per Ind AS there are no Associates and Joint Venture of the Company as on March 31, 2019.

For and on behalf of the Board of Directors

Rashesh Shah	*Chairman, Managing Director & CEO*	DIN: 00008322
Himanshu Kaji	*Executive Director*	DIN: 00009438
S Ranganathan	*Chief Financial Officer*	
B Renganathan	*EVP & Company Secretary*	

Mumbai
May 14, 2019

Form AOC-2

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

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

(Currency : Indian rupees in million)

I. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

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

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

(₹ in millon)

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Edelweiss Rural & Corporate Services Limited (Subsidiary)	Sale of shares of EC Commodity Limited (Subsidiary)	-	Consideration amounting to ₹ 501.43 million	March 29, 2019	Nil

For and on behalf of the Board of Directors

Rashesh Shah *Chairman, Managing Director & CEO* DIN: 00008322
Himanshu Kaji *Executive Director* DIN: 00009438

S Ranganathan *Chief Financial Officer*
B Renganathan *EVP & Company Secretary*

Mumbai
May 14, 2019

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 24th ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED WILL BE HELD ON THURSDAY, JULY 25, 2019 AT 3.00 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:

ORDINARY BUSINESS:

1. To consider and adopt:-

a. the audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Board and the Auditors thereon; and

b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.

2. To declare dividend on Equity Shares.

3. To appoint Mr. Rashesh Shah (DIN 00008322) as a Director who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Mr. Venkatchalam Ramaswamy (DIN 00008509) as a Director who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Appointment of Mr. Ashok Kini as an Independent Director

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED** that Mr. Ashok Kini (DIN: 00812946), who was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Ashok Kini (DIN: 00812946), who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment as an Independent Director of the Company and who will be attaining the age of 75 years in December 2020, be and is hereby appointed as an Independent Director for a term of three years commencing April 1, 2019."

6. Appointment of Dr. Ashima Goyal as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that Dr. Ashima Goyal (DIN: 00233635), who was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Dr. Ashima Goyal (DIN: 00233635), who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director for a term of three years commencing April 1, 2019."

7. **Appointment of Ms. Anita M. George as a Non-Executive Non-Independent Director**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that Ms. Anita M. George (DIN: 00441131), who was appointed as an Additional Director of the Company with effect from April 1, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive - Non Independent Director of the Company, liable to retire by rotation."

8. **Re-appointment of Mr. Himanshu Kaji as an Executive Director**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") as amended from time to time, the Rules, Regulations, Guidelines and Circulars issued in this regard and subject to necessary approvals, if any, consent of the Members be and is hereby accorded for the re-appointment of Mr. Himanshu Kaji (DIN 00009438) as an Executive Director of the Company for a period of 5 years with effect from November 1, 2019, on the terms and conditions set out below, which shall also be the maximum remuneration payable in the event the Company has no profits/ inadequate profits;

i) Salary Limit: Not exceeding ₹ 3 crores per annum.

ii) Bonus: Not exceeding ₹ 6 crores per annum.

iii) Perquisites: Not exceeding ₹ 3 crores per annum.

RESOLVED FURTHER that the Board be and is hereby authorized to vary the terms of re-appointment and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary and with the power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

For and on behalf of the Board of Directors
EDELWEISS FINANCIAL SERVICES LIMITED

B. Renganathan
Executive Vice President & Company Secretary
(FCS2922)

May 14, 2019

Registered Office:
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.
CIN : L99999MH1995PLC094641
Email: efsl.shareholders@edelweissfin.com

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. **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 a 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.

3. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.

4. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) as amended issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished as an Annexure to the Notice.

5. Documents, if any, referred to in the Notice and Explanatory Statement pursuant to Section 102 of the Act, are open for inspection between 2.00 p.m. to 4.00 p.m. on all working days up to the date of the AGM at the Registered Office of the Company and will also be available at the venue of the AGM.

6. **Book Closure**

   The Register of Members and the Share Transfer Books of the Company will remain closed from July 19, 2019 to July 24, 2019 (both days inclusive).

7. **Nomination Facility**

   As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to Link Intime India Private Limited in case the shares are held in physical form.

8. Members are requested to note that dividend which has remained unpaid or unclaimed for seven (07) consecutive years or more from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Act.

   Accordingly, pursuant to the provisions of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has transferred a sum of ₹ 5,68,649 to the IEPF during the year under review.

   Further, 25,065 equity shares of ₹1 each of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the beneficiary owner account of the IEPF Authority.

In view of this, Members who have not claimed / encashed the Dividend Warrants for Final Dividend 2011-12 and/ or any subsequent years are requested to claim their dividends within stipulated timeline by writing to the Company to the Company / RTA giving the necessary details.

Members are further requested to note that the unpaid or unclaimed dividends and/or the equity shares transferred to the IEPF can be claimed by them by making an on-line application (electronically) {Form IEPF-5}. Upon submitting duly completed form, applicants are requested to take a print of the same and send the physical copy, duly signed, along with the requisite documents specified in Form IEPF-5, to Link Intime India Private Limited (Unit: Edelweiss Financial Services Limited), C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083, e-mail: rnt.helpdesk@linkintime.co.in/ iepf.shares@linkintime.co.in

The Rules and the application form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs (MCA) for claiming the shares/ dividends are available on the website of MCA/ IEPF authority- www.iepf.gov.in

9. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available.

10. Green Initiative

a) Copies of the Annual Report of the Company for the financial year ended March 31, 2019 are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/Depository Participant(s) unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report are being sent by the permitted mode. Members may also note that Notice and Explanatory Statement are also available on the website of the Company i.e. www.edelweissfin.com

   Members intending to correspond with the Company may write to us on efsl.shareholders@ edelweissfin.com

b) The Members who have not updated their e-mail addresses are requested to update the same with their respective Depository Participant(s) or communicate their e-mail addresses to the Registrar & Share Transfer Agent or the Company, to enable the Company to send future communications in electronic mode. Members are requested to send a signed letter, communicating their Name, Folio No./DP ID Client ID and e-mail address either by e-mail (scanned copy) to rnt.helpdesk@linkintime.co.in or send a hard copy thereof to them. Alternatively, the Members can also update their e-mail addresses with Company by sending an e-mail to efsl.shareholders@edelweissfin.com.

11. National Electronic Clearing Services (NECS) facility

To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the dividend will be credited through NECS facility at the locations identified by the Reserve Bank of India and the Members holding shares in physical form and who are desirous of availing this facility are requested to contact the Registrar & Share Transfer Agent of the Company and the Members holding shares in electronic form are requested to contact their respective Depository Participants.

12. Bank Mandates

In order to avoid fraudulent encashment of the dividend warrants, Members holding shares in physical form are requested to intimate the Registrar & Share Transfer Agent under the signature of the Sole/First holder, the following information to be incorporated on the Dividend Warrants:

I. Name of the Sole/First holder and the folio number

II. Particulars of Bank Account viz.,

   a) Name of the Bank

   b) Name of the Branch

   c) Complete address of the Branch with Pin code

   d) Bank Account Number allotted by the Bank.

13. In respect of the matters pertaining to Bank details, NECS mandates, nomination, power of attorney, change in name/address, etc., the Members are requested to approach:

- the Company's Registrar & Share Transfer Agent, in case of shares held in physical form; and
- the respective Depository Participants, in case of shares held in electronic form.

In any correspondence with the Company/Registrar & Share Transfer Agent, Members are requested to quote their account/ Folio numbers or DP ID and Client ID in respect of physical or electronic holdings, respectively.

14. E-voting

Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended , the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting services facility. The facility of casting votes by the Members using an electronic voting system ('remote e-voting') will be provided by Central Depository Services (India) Limited ('CDSL').

II. The facility for casting vote through polling paper shall be made available at the Meeting and the Members attending the meeting who have not already cast their vote by remote e-voting shall ONLY be able to exercise their voting right at the meeting.

   Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently or cast the vote again.

III. The Members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but they shall not be entitled to cast their vote again.

The instructions for the Members / shareholders voting electronically are as under:

(i) The voting period begins on July 22, 2019 (from 9.00 a.m.) and ends on July 24, 2019 (upto 5.00 p.m.). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 18, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders/ Members.

(iv) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Edelweiss Financial Services Limited for voting.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) The Members/shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

15. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, July 18, 2019, should follow the same procedure for e-Voting as mentioned above.

16. The voting rights of Members shall be in proportion to their shares held in the paid up equity share capital of the Company as on the cut-off date.

17. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through polling paper.

18. Mr. B. Narasimhan, Proprietor, M/s. B.N. & Associates, Company Secretaries, failing him, Mr. K. Venkataraman, Practicing Company Secretary have been appointed as the Scrutinizer of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

19. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

20. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.edelweissfin.com and on the website of CDSL e-Voting immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents of the Company for any support in this regard.

22. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Link Intime India Private Limited in case the shares are held in physical form.

23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Private Limited the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

24. The route map showing directions to reach the venue of the 24^{th} AGM is annexed.

ANNEXURE TO THE NOTICE DATED MAY 14, 2019

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act')

ITEM NO. 5:-

The Board of Directors of the Company ("the Board"), based on the recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Ashok Kini as an Additional Director of the Company with effect from April 1, 2019 and holds office up to the date of this AGM, pursuant to the provisions of Section 161(1) of the Act. He was also appointed as an Independent Director for a period of 3 years with effect from April 1, 2019.

Further, pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members of the Company, is being sought by way of a Special Resolution for Mr. Kini to continue as an Independent Director consequent to him attaining the age of 75 years in December, 2020.

A brief profile of Mr. Ashok Kini:

Mr. Ashok Kini ioined State Bank Of India (SBI) as Probationary Officer in 1967 and held key positions during his banking career spanning over 4 decades, and retired as the Managing Director of SBI in 2005. Mr. Kini is also on the Board of Edelweiss Asset Reconstruction Company Limited, (a subsidiary of the Company), since November 2011.

Mr. Kini has, throughout his career, held important Board-Level positions across numerous corporates in India Inc., namely IndusInd Bank Limited, SBI Capital Markets Limited, UTI Trustee Company Pvt. Ltd. and Gulf Oil Lubricants India Limited, to name a few.

Mr. Kini holds a Bachelor's Degree in Science from Mysore University and Master's Degree in English Literature from Madras Christian College, Chennai.

Considering his wide experience in the banking sector, and as in the opinion of the Board, Mr. Kini fulfils the conditions specified in the Act for this appointment, the Board recommends passing the Special Resolution set out in Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Ashok Kini are concerned or interested in Item No. 5 of the Notice.

ITEM NO. 6:-

The Board of Directors ("the Board"), based on the recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Dr. Ashima Goyal as an Additional Director of the Company with effect from April 1, 2019 and she holds office up to the date of this AGM, pursuant to the provisions of Section 161(1) of the Act. Further, she was also appointed as an Independent Director for a period of 3 years with effect from April 1, 2019.

A brief profile of Dr. Ashima Goyal:

Dr. Ashima Goyal has over three decades of experience. She is a Professor at the Indira Gandhi Institute of Development Research, a part-time member of Economic Advisory Council to the Prime Minister and also serves as an independent Director at IDBI Bank.

She is a specialist in the areas of open economy macroeconomics, international finance, institutional economics and development economics. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA, and a Fulbright Senior Research Fellow at Claremont Graduate University, USA.

She has an M. Phil., MA and BA in Economics from the University of Delhi and holds a PhD in Economics from the University of Mumbai.

Considering her extensive knowledge in the field of economics, and as in the opinion of the Board, Dr. Goyal fulfils the conditions specified in the Act for this appointment, the Board recommends passing the Ordinary Resolution set out in Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives except Dr. Ashima Goyal are concerned or interested in Item No. 6 of the Notice.

ITEM NO. 7:-

The Board of Directors ("the Board"), based on recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Ms. Anita M. George as an Additional Director (Independent) with effect from April 1, 2019. She holds office as a Director up to the date of this AGM, pursuant to the provisions of Section 161(1) of the Act. Considering Ms. George's association with Caisse de dépôt et placement du Québec (CDPQ) and CDPQs investments in Edelweiss Group, the Board re-considered the appointment and re-designated Ms. George as a Non-Executive Non-Independent Director with effect from May 14, 2019.

A brief profile of Ms. Anita M. George:

Ms. Anita Marangoly George has over three decades of experience. She is Executive Vice-President, Strategic Partnerships - Growth Markets, CDPQ.

She joined CDPQ as the Managing Director, South Asia in April 2016. Prior to joining CDPQ, she was Senior Director of the World Bank's Energy and Extractive Industries Global Practice. She also held the positions of Director, Infrastructure and Natural Resources of the International Finance Corporation, a member of the World Bank Group, and Head of Siemens Financial Services in India. Her various roles have led her to work in several regions of the world, including Europe, Asia, the Middle East and Africa.

She is a BA in Economics and Spanish from Smith College, Massachusetts and a Masters in Economics and an MBA in Finance from Boston University.

The Board recommends passing the Ordinary Resolution appointing Ms. Anita M. George as a Non-Executive Non- Independent Director, liable to retire by rotation, as set out in Item No. 7 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives except Ms. Anita George are concerned or interested in Item No. 7 of the Notice.

ITEM NO. 8:

The tenure of appointment of Mr. Himanshu Kaji as an Executive Director expires on October 31, 2019. Based on the recommendation of the Nomination and Remuneration Committee and considering his expertise and contribution to the Group, the Board of Directors at their meeting held on May 14, 2019 had, subject to the approval of the Members, re-appointed Mr. Himanshu Kaji as an Executive Director for a period of 5 years w. e. f. November 1, 2019.

A brief profile of Mr. Himanshu Kaji:

Mr. Himanshu Kaji is a Chartered Accountant and holds a Post-Graduate Diploma in Securities Law. He has over three decades of diverse experience in the areas of business strategy, risk, finance, regulatory frameworks, process re-engineering, technology, strategy and implementation across the financial services space.

He is associated with Edelweiss Group since September, 2009 and is responsible for the overall functioning of Global Risk and Assurance, Finance, Governance and Compliance. Additionally, he is also in-charge of Legal and Administration. Mr. Himanshu Kaji also holds Directorship and Committee position in other group companies viz. ECL Finance Limited and Edelweiss Trusteeship Company Limited. He is Co-Chairperson of the FICCI Capital Markets Committee, a member of the Secondary Market Advisory Committee of SEBI and on the Trading Member Advisory Committee of NSE. He has also served on the Board of BSE and played a key role in the overhaul of the Exchange, contributing largely to the demutualization and corporatization of BSE. He has been a Corporate Advisor to eminent Indian and global financial services companies, consulting on new product strategy, creating and implementing technology solutions and developing compliance and risk frameworks. He also advised many domestic and foreign players on their acquisition of domestic capital market players.

ADDITIONAL DETAILS AS REQUIRED UNDER SCHEDULE V AND OTHER PROVISIONS OF THE COMPANIES ACT, 2013.

The Company, along with its subsidiaries provides wide range of financial services which inter-alia includes, Investment Banking, Institutional Equities, Securities Broking, Private Client Brokerage, Asset Management, Wealth Management, Client Advisory Services, Wholesale Financing, Housing Finance, Securitization, Alternative Asset Management Business, Treasury Operations, Life & General Insurance. The Company has earned a net profit of ₹ 102.87 Crores for the financial year ended March 31, 2019. The consolidated net profit for the financial year ended March 31, 2019 was ₹ 1044.37 Crores.

The remuneration proposed to be paid to Mr. Kaji shall comprise of annual salary of ₹ 3 Crores, Bonus not exceeding ₹ 6 crores per annum and Perquisites not exceeding ₹ 3 crores per annum. The proposed remuneration is not comparable with other companies in the financial sector due to the diverse nature of business and the functions handled by Mr. Kaji. The Company had earned adequate profits during the previous financial year. However, as a prudent measure; approval of Members is being sought for the payment of remuneration to Mr. Himanshu Kaji in the event of inadequacy of profits in any financial year during his tenure of appointment.

In addition to the proposed remuneration, Mr. Himanshu Kaji is also entitled to participate in various Employee Stock Options Scheme and Employees Stock Appreciation Rights Scheme, 2019 granted from time to time. The gross remuneration paid to Mr. Himanshu Kaji during the financial year 2018-19 was ₹ 2.48 Crores. Except for the proposed remuneration, Mr. Kaji does not have any pecuniary relationship directly or indirectly with the Company or with any Managerial Personnel.

The Board recommends passing the Resolution set out in Item No. 8 of the Notice as a Special Resolution. Except Mr. Himanshu Kaji, none of the Directors and the Key Managerial Personnel and their relatives are interested or concerned, in any manner in item No. 8 of the Notice.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Particulars	Mr. Rashesh Shah	Mr. Venkatchalam Ramaswamy
Age	55 years	52 years
Date of first Appointment	November 21, 1995	February 20, 1996
Experience in functional Area	Has diverse experience in financial and Corporate markets.	Has experience in venture capital, private equity advisory, fund raising and Investment Banking, Distress Asset & Reconstruction Business
Qualification	1. B. Sc from the University of Bombay; 2. MBA from IIM, Ahmedabad; and 3. Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi.	1. Masters of Business Administration University of Pittsburg, USA; and 2. Bachelor's in electronics and communication engineering from Karnataka University Dharwad
Terms and Conditions of Appointment/ Reappointment	Appointed as Managing Director and CEO w.e.f. April 1, 2017 for a term of 5 years	Appointed as an Executive Director w.e.f. April 1, 2017 for a term of 5 years
Remuneration to be paid	Entitled for payment of Salary, Perquisites and Bonus as approved by the Members of the Company at the Annual General Meeting held on August 2, 2017.	Entitled for payment of Salary, Perquisites and Bonus as approved by the Members of the Company at the Annual General Meeting held on August 2, 2017.
Remuneration last drawn	Refer Corporate Governance Report forming a part of the Annual Report	Refer Corporate Governance Report forming a part of the Annual Report
No. of Board Meetings attended during the year	6	6
Directorship in other Companies (Public Limited Companies)	1. ECL Finance Limited 2. Edelweiss Tokio Life Insurance Company Limited	1. Edelweiss Asset Reconstruction Company Limited 2. Edelweiss Finance & Investments Limited 3. ECL Finance Limited
Membership/ Chairmanship of Committees of other public limited companies (Audit Committee and shareholders/ Investors Grievance Committee only)	Nil	Edelweiss Asset Reconstruction Company Limited Audit Committee- Member
Relationship with other Directors inter-se and with Key Managerial Personnel of the Company	Mr. Rashesh Shah is the spouse of Ms. Vidya Shah, a Non-Executive Director of the Company	None
No. of shares held in the Company	14,53,01,730 Equity Shares of ₹ 1 each	5,80,26,560 Equity Shares of ₹ 1 each

Particulars	Mr. Ashok Kini	Dr. Ashima Goyal
Age	73 years	63 years
Date of first Appointment	April 1, 2019	April 1, 2019
Experience in functional Area	More than 4 decades of experience in the banking sector.	More than 3 decades of experience in the field of economics
Qualification	1. B. Sc From Mysore University; and 2. Master's Degree in English Literature from Madras Christian College, Chennai.	M. Phil., MA and BA in Economics from the University of Delhi and PhD in Economics from University of Mumbai.
Terms and Conditions of Appointment/ Reappointment	Appointed for a period of 3 years w.e.f. April 1, 2019	Appointed for a period of 3 years w.e.f. April 1, 2019
Remuneration to be paid	Entitled for sitting fees for attending Meetings of Board & Committees and also commission	Entitled for sitting fees for attending Meetings of Board & Committees and also commission
Remuneration last drawn	N.A.	N.A.
No. of Board Meetings attended during the year	N.A.	N.A.
Directorship in other Companies (Public Limited Companies)	1. Gulf Oil Lubricants India Limited 2. GOCL Corporation Limited 3. Nihilent Analytics Limited 4. Fino Finance Private Limited 5. Edelweiss Asset Reconstruction Company Limited 6. Fino Paytech Limited 7. Nihilent Limited	IDBI Bank Limited
Membership/ Chairmanship of Committees of other public limited companies (Audit Committee and shareholders/ Investors Grievance Committee only)	Edelweiss Asset Reconstruction Company Limited Audit Committee- Member	IDBI Bank Limited a. Audit Committee- Member b. Stakeholders' Relationship Committee- Chairperson
Relationship with other Directors inter-se and with Key Managerial Personnel of the Company	None	None
No. of shares held in the Company	Nil	Nil

Particulars	Ms. Anita M. George	Mr. Himanshu Kaji
Age	58 years	53 years
Date of first appointment	April 1, 2019	November 1, 2011
Experience in functional Area	More than 3 decades of experience in the field of financial services	More than 3 decades of experience in the field of financial services.
Qualification	1. BA in Economics and Spanish from Smith College, Massachusetts 2. Masters in Economics and an MBA in Finance from Boston University	1. Chartered Accountant 2. Post Graduate Diploma in Securities Law
Terms and Conditions of Appointment/ Reappointment	Ms. George is being appointed as a Non-Executive Director Non Independent Director, liable to retire by rotation.	Appointment for a period of 5 years w.e.f. November 1 , 2019
Remuneration to be paid	Entitled for sitting fees for attending Meetings of Board & Committees and also commission	Entitled for payment of Salary, Perquisites and Bonus as approved by the Members
Remuneration last drawn	N.A.	Refer Corporate Governance Report forming a part of the Annual Report
No. of Board Meetings attended during the year	N.A.	6
Directorship in other Companies (Public Limited Companies)	1. TVS Supply Chain Solutions Limited 2. Edelweiss Asset Reconstruction Company Limited 3. CDPQ India Private Limited	1. ECL Finance Limited 2. Edelweiss Trusteeship Company Limited
Membership/ Chairmanship of Committees of other public limited companies (Audit Committee and shareholders/ Investors Grievance Committee only)	TVS Supply Chain Solutions Limited: Audit Committee - Member	Edelweiss Trusteeship Company Limited: Audit Committee- Member
Relationship with other Directors inter-se and with Key Managerial Personnel of the Company	None	None
No. of shares held in the Company	Nil	39,87,500 Equity Shares of ₹ 1 each

For and on behalf of the Board of Directors
EDELWEISS FINANCIAL SERVICES LIMITED

B. Renganathan
Executive Vice President & Company Secretary

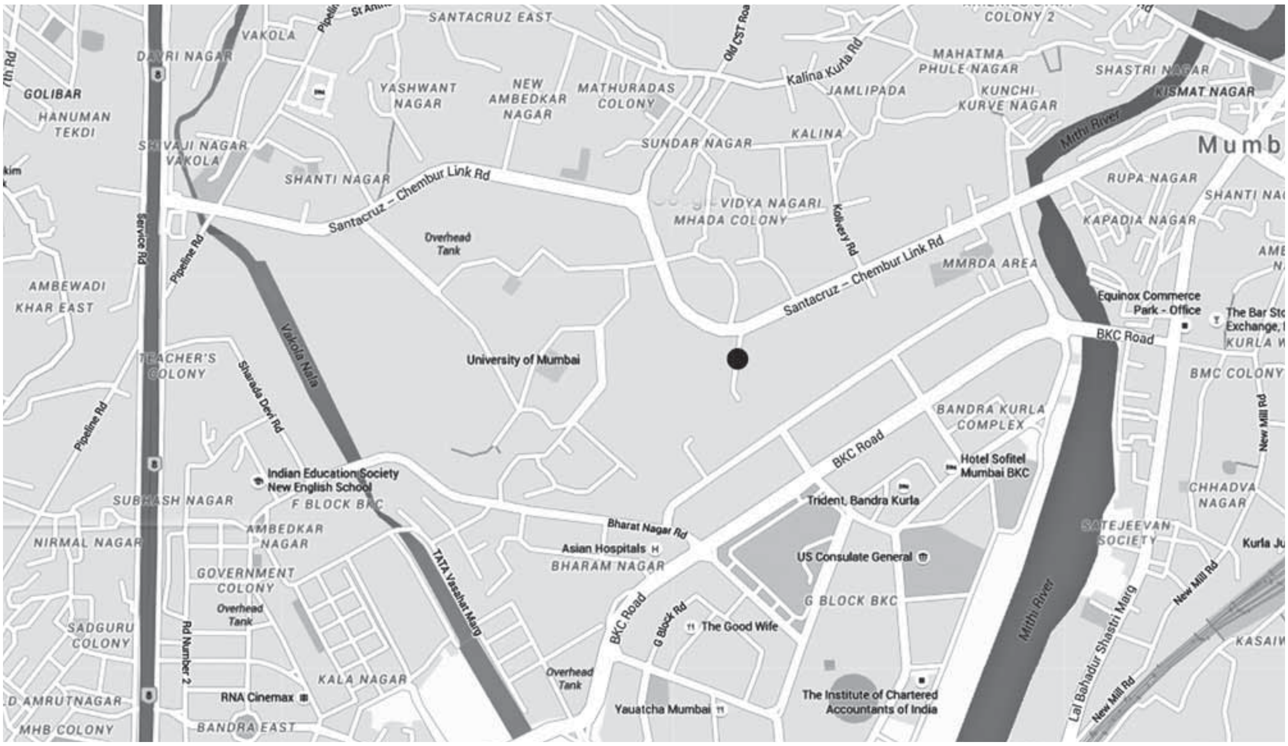
May 14, 2019
Registered Office:
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.
CIN No.: L99999MH1995PLC094641

Edelweiss
Ideas create, values protect

Route Map of the Venue of the
24th ANNUAL GENERAL MEETING OF EDELWEISS FINANCIAL SERVICES LIMITED - July 25, 2019

AGM Venue:
Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai – 400 098

Prominent Landmark: University of Mumbai, Kalina



NOTE

External Connects

Hon'ble Prime Minister of India, Narendra Modi and Edelweiss Chairman & CEO, Rashesh Shah welcome Hon'ble President of Republic of Korea, Moon Jae-in and his delegation during his state visit to India

Congress President, Rahul Gandhi with Rashesh Shah and FICCI presidium at the Gandhi residence

Rashesh Shah's address on Make in India amidst eminent industry stalwarts at Advantage Assam

Hon'ble Finance Minister, Arun Jaitley with Rashesh Shah and other dignitaries at North Block, Central Secretariat, New Delhi

Rashesh Shah welcoming the Ambassador of Israel, H.E. Daniel Carmon

Ambassador of the United States of America, Ken Juster, in conversation with Rashesh Shah

EdelGive Foundation CEO, Vidya Shah and Hon'ble Education Minister of the Govt. of Maharashtra, Vinod Tawde, celebrate the power of collaboration in transforming education in the state

EdelGive Foundation COO, Naghma Mulla shares her perspective on Strategic Financing at the 2nd United Nations Sustainable Development Goals Summit

Vidya Shah sharing insights on the role of philanthropy in India's human, social and economic progress at Bill & Melinda Gates Foundation's event, Aksha

Vidya Shah discusses the role of sports as a catalyst in building a New India at FICCI's Annual General Meeting

Ashish Dhawan, Founder, Central Square Foundation, Nandita Das, film-maker and Milind Soman, Founder, Pinkathon, in coversation with marketing strategist, Rama Bijapurkar, on influencing conversations around critical issues at EdelGive EDGE 2018

EdelGive Foundation's launch of The Influencers - A platform of leaders who lend their voice to issues concerning women empowerment

Edelweiss Group and Indian Olympic Association along with Actor, Akshay Kumar, extend best wishes to Team India at a special send-off before the Asian Games, offering each athlete an Edelweiss Tokio Life Insurance cover worth ₹5 million.

Industry luminaries from AZB & Partners, Brickworks Ratings, M M Nissim & Co and Shree Renuka Sugar Ltd., discussing their outlook on Stressed Assets with R K Bansal, MD & CEO, Edelweiss Asset Reconstruction Company at the Edelweiss Credit Conclave.

Edelweiss Executive Director, Venkatchalam Ramaswamy and Rashesh Shah at the launch of EISAF II, which went on to become the largest fund raise in Alternatives in India and Asia, raising US$1.3 billion

Recognising the power of sports as an enabler for women empowerment, Edelweiss signed on six women sports ambassadors, including Heena Sidhu (shooter), Rani Rampal (women's hockey captain), Hima Das (sprinter), Mirabai Chanu (weightlifter), Manika Batra (paddler) and Dipa Karmakar (gymnast)

Edelweiss AMC CEO, Radhika Gupta, discusses the alternatives space with a vibrant panel of family office heads at the Campden Wealth Conference.

Seeking Growth – The ESG Way, a panel featuring industry experts from Kotak Mahindra AMC, Reliance Nippon Life Asset Management, Ashmore Investment Management, TIAA Emerging Market Equity Fund and Nitin Jain, CEO, Edelweiss Global Wealth & Asset Management at the Edelweiss India Conference

Internal Engagement

Edelites celebrating victory at Edelweiss Titans 2018, the annual awards and recognition program, honouring excellence across the Group

Our first batch of nine EdelGive volunteers set out to help build a playground and teach in the Government Middle School, Kargil District, Ladakh.

Jamling Norgay shares a bone-chilling narrative of the first ever successful Mount Everest expedition by his father, Tenzing Norgay and Edmund Hillary at the Risk and Compliance Awards 2018.

Walking the talk with a gender neutral panel comprising leaders across Edelweiss, promoting an inclusive work culture on Women's Day

Team Edelweiss spend an afternoon teaching under-privileged children at Juhu Beach, Mumbai

Over 2,500 Edelweiss employees across 70 locations joined forces in a cleanliness drive during Joy of Giving Week as part of the Swachh Bharat Abhiyan

Raising the Bar

- **Golden Peacock Award for Risk Management**
  Golden Peacock Awards 2018
- **Dream Employer of the Year**
  ET Now's Dream Companies to Work for Awards 2018
- **Best Private Bank – India**
  Edelweiss Private Wealth Management
  Global Finance Magazine 2019
- **Best Wealth Manager, India Domestic**
  Edelweiss Private Wealth Management
  Asian Private Banker 2018
- **Best Private Bank – India Domestic**
  Edelweiss Private Wealth Management
  Asiamoney Best Private Banks 2018
- **Best Wealth Manager – India**
  Edelweiss Private Wealth Management
  Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2018

- **Customer Centric Advisory of the Year**
  Edelweiss Personal Wealth Advisory
  Customer Excellence Awards 2019
- **Best use of Voice of Customer**
  Edelweiss Personal Wealth Advisory
  Customer Experience Awards 2019
- **Best Affordable Housing Finance Company**
  Edelweiss Housing Finance
  ET Now BFSI Awards 2018
- **Best Asset Servicing – Emerging Markets**
  Edelweiss Asset Services
  Global Custodian Leaders Custody Awards 2019
- **Product Innovator of the year – Zindagi Plus**
  Edelweiss Tokio Life Insurance
  India Insurance Summit Awards 2018
- **Best Product Innovation – Wealth Plus**
  Edelweiss Tokio Life Insurance
  Golden Globe Tiger Awards, Kuala Lumpur 2018

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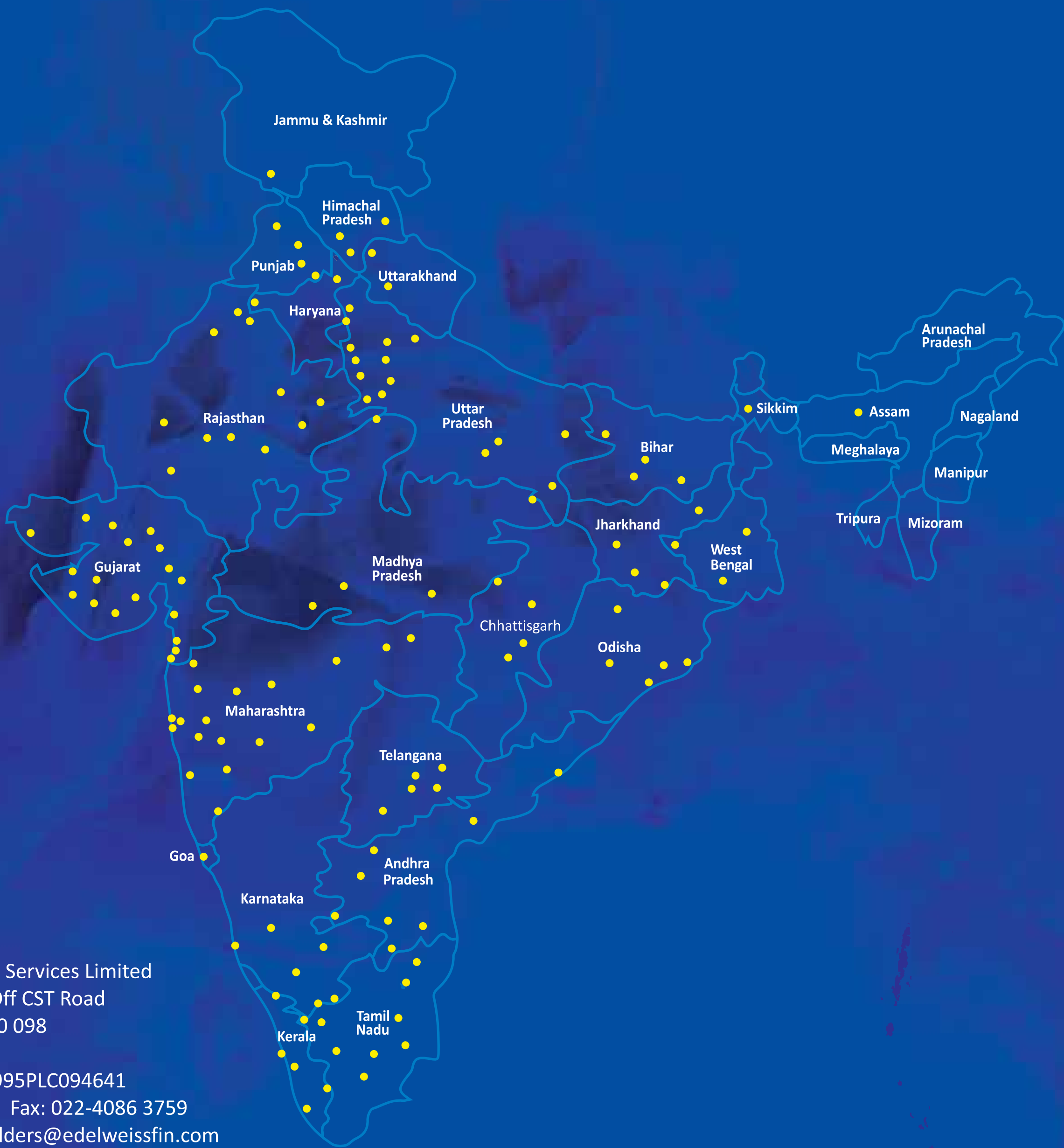
www.sapprints.com

EDELWEISS GROUP

1.2 MILLION	11,000	476
CUSTOMERS	EMPLOYEES	OFFICES



Registered Office:
Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai 400 098
Maharashtra, India
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www.edelweissfin.com

EdelweissGroup EdelweissFin Company/EdelweissFin

Edelweiss
Ideas create, values protect

The map is a graphic representation and is not to scale