

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Edelweiss Retail Finance Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT
To the Members of Edelweiss Retail Finance Limited
Report on the Financial Statements
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Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Retail Finance Limited

Report on the Financial Statements

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- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 3.29;
 - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts—Refer Note 3.6, 3.10 and 3.32. The Company did not have any derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 02, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

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

Page 1 of 2

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

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

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 02, 2018

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 3.11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except sub-section (1) of Section 186, of the Act are not applicable to the Company.

Further, the Company has not made any investment to the parties covered under Section 186 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iv) of the said Order in respect of Section 186 (1) is not applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

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- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans and initial public offer (IPO) of debt instruments have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer of equity shares or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided managerial remuneration and accordingly compliance in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non- cash transactions with its directors or persons connected with him / her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non- Banking Financial Institution.

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



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 02, 2018

Edelweiss Retail Finance Limited

Balance Sheet

as on 31 March 2018

(Currency : Indian Rupees in Millions)

EQUITY AND LIABILITIES

Shareholders' funds

	Note	As at 31 March 2018	As at 31 March 2017
(a) Share capital	3.1	429.50	329.50
(b) Reserves and surplus	3.2	3,917.24	2,805.43
		<u>4,346.74</u>	<u>3,134.93</u>

Non-current liabilities

(a) Long-term borrowings	3.3	20,898.42	6,588.58
(b) Deferred tax liabilities (net)	3.4	22.96	-
(c) Other long-term liabilities	3.5	211.94	250.87
(d) Long-term provisions	3.6	118.70	95.66
		<u>21,252.02</u>	<u>6,935.11</u>

Current liabilities

(a) Short-term borrowings	3.7	2,867.63	1,751.00
(b) Trade payables	3.8		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		539.31	390.80
(c) Other current liabilities	3.9	4,879.01	3,248.27
(d) Short-term provisions	3.10	124.87	56.74
		<u>8,410.82</u>	<u>5,446.81</u>

TOTAL

34,009.58 15,516.85

ASSETS

Non-current assets

(a) Fixed Assets	3.11		
(i) Property, Plant and equipment		50.11	9.29
(ii) Intangible assets		2.66	3.31
(iii) Intangibles under development		6.06	1.00
(b) Deferred tax assets (net)	3.4	-	21.92
(c) Long-term loans and advances	3.12	19,543.79	7,706.41
(d) Other non-current assets	3.13	3.96	42.00
		<u>19,606.58</u>	<u>7,783.93</u>

Current assets

(a) Trade receivables	3.14	12.14	-
(b) Cash and bank balances	3.15	233.73	72.21
(c) Short-term loans and advances	3.16	13,769.53	7,296.37
(d) Other current assets	3.17	387.59	364.34
		<u>14,403.00</u>	<u>7,732.92</u>

TOTAL

34,009.58 15,516.85

The accompanying notes are an integral part of the financial statements

2&3

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

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number 012754N/N500016

Chartered Accountants



Sharad Agarwal

Partner

Membership No: 118522

Mumbai
02 May 2018

For and on behalf of the Board of Directors
Edelweiss Retail Finance Limited



Anil Kothuri

Director

DIN: 00177945



Shalinee Mimani

Director

DIN : 07404075



Vineet Mahajan

Chief Financial Officer

Mumbai
02 May 2018



Sudipta Majumdar

Company Secretary

Membership no - A33961

Mumbai
02 May 2018

Edelweiss Retail Finance Limited

Statement of Profit and Loss

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Fee and commission income	3.18	272.12	187.20
Interest income	3.19	3,380.77	2,338.16
Other income	3.20	23.33	9.98
Total Revenue		3,676.22	2,535.34
Expenses			
Employee benefits expenses	3.21	339.61	215.71
Finance costs	3.22	1,600.79	1,161.19
Depreciation and amortization	3.11	15.01	3.32
Other expenses	3.23	1,240.91	665.82
Total expenses		3,196.32	2,046.04
Profit before tax		479.90	489.30
Tax expense:			
(1) Current tax (includes short provision for earlier years Rs. 3.55 million (Previous year Rs. 0.03 million)		174.57	181.01
(2) Minimum Alternate Tax (MAT) credit entitlement		(56.40)	-
(2) Deferred tax (net)		44.87	(11.17)
Profit for the year		316.86	319.46
Earnings per equity share (Face value Rs. 10 each):			
Basic and diluted (in Rupees)	3.26	8.71	10.03

The accompanying notes are an integral part of the financial statements

2&3

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

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number 012754N/N500016

Chartered Accountants

Sharad Agarwal

Partner

Membership No: 118522

Mumbai
02 May 2018

For and on behalf of the Board of Directors

Edelweiss Retail Finance Limited

Anil Kothuri

Director

DIN: 00177945

Shalinee Mimani

Director

DIN : 07404075

Vineet Mahajan

Chief Financial Officer

Mumbai
02 May 2018

Sudipta Majumdar

Company Secretary

Membership no - A33961

Mumbai
02 May 2018

Edelweiss Retail Finance Limited

Cash Flow Statement

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before tax	479.90	489.30
Adjustments for		
Depreciation and amortisation	15.01	3.32
Provision for standard assets	77.25	9.64
Provision for Restructured advances	(0.12)	2.91
Provision for non performing assets	29.76	(23.79)
Provision for credit loss on securitisation	(26.19)	30.14
Bad-debts and advance written off	287.20	225.54
Loss on sale of Fixed assets(net)	0.32	0.02
Operating cash flow before working capital changes	863.13	737.08
Add / (Less): Adjustments for working capital changes		
Increase in receivable from financing business	(17,997.76)	(1,002.61)
Increase / (Decrease) in other bank balances	44.33	(64.33)
Increase in other loans and advances	(553.40)	(21.11)
Decrease / (Increase) in other current and non current assets	14.77	(225.71)
Increase in liabilities and provisions	1,236.10	358.83
Cash used in operating activities	(16,392.83)	(217.85)
Income taxes paid (net of refund)	(116.51)	(164.80)
Net cash used in operating activities - A	(16,509.34)	(382.65)
B Cash flow from investing activities		
Purchase of fixed assets	(60.96)	(14.51)
Proceeds from sale of fixed assets	0.36	0.47
Net cash used in investing activities - B	(60.60)	(14.04)
C Cash flow from financing activities		
Proceeds from issuance of Share capital	1,090.00	264.00
Expenses on issue of non convertible debentures	(133.44)	-
Premium payable on redemption of non convertible debentures	(27.18)	(90.47)
Redemption of privately placed non convertible debentures	(1,000.00)	(2,000.00)
Proceeds from public issue of non convertible debentures	4,916.22	-
Proceeds from issue of subordinate debt	1,240.00	120.00
Proceeds from private placement of non convertible debentures	1,000.00	-
Proceeds from issue of perpetual debt	450.00	-
Repayment of long term borrowings from related parties	-	(290.00)
Proceeds from term loan from banks	7,800.00	1,750.00
Proceeds from term loan from others	2,550.00	-
Proceeds from short-term borrowings (net) (Refer note 1)	1,116.69	1,194.65
Repayment of term loan from banks	(2,053.50)	(683.90)
Repayment of term loan from Others	(83.00)	-
Net cash generated from financing activities - C	16,775.79	264.28
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	205.85	(132.41)



Edelweiss Retail Finance Limited

Cash Flow Statement

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash and cash equivalents as at the beginning of the year	7.88	140.29
Cash and cash equivalents as at the end of the year (Refer note 3.15)	213.73	7.88

Notes:

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

The accompanying notes are an integral part of the financial statements

2&3

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

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number 012754N/N500016

Chartered Accountants



Sharad Agarwal

Partner

Membership No: 118522

Mumbai
02 May 2018

For and behalf of the Board of Directors
Edelweiss Retail Finance Limited



Anil Kothari

Director

DIN : 00177945



Shalinee Mimani

Director


DIN : 07404075



Vineet Mahajan

Chief Financial Officer

Mumbai
02 May 2018



Sudipta Majumdar

Company Secretary

Membership no - A33961

Mumbai
02 May 2018

Edelweiss Retail Finance Limited

Notes to the financial statements

1. Background

Edelweiss Retail Finance Limited ('ERFL' or 'the company') is registered with the Reserve Bank of India (RBI) as a Systemically Important Non Deposit Accepting Non-Banking Financial company. The company was originally incorporated on February 18, 1997 as "Affluent Dealcom Private Limited" which subsequently got converted to public limited company on January 1, 2014 and then the company's name changed to "Edelweiss Retail Finance Limited" with effect from January 6, 2014. The Company is a subsidiary of Edelcap Securities Limited.

ERFL is primarily engaged in the business of providing loans against property, business loans, loan to real estate developers and rural finance loans.

2. Significant accounting policies

2.1 *Basis of preparation of financial statements*

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

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

2.2 *Use of estimates*

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.3 Current and non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

2.4 Revenue recognition

- a. Fees Income (net of Service Tax / Goods and Service Tax) including processing fees are accounted on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b. Processing fee income (net of Service Tax / Goods and Service Tax) on loan against properties is amortised over a period of 7 years or contractual period, whichever is shorter. In case of small & medium enterprises loans (SME), processing fees (net of Service Tax / Goods and Service Tax) collected are amortised over contractual period. The unamortised balance is disclosed under "Other current liabilities" and "Other long term liabilities" based on amortisable tenor. In the event of a loan being foreclosed, securitised, assigned or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure, securitisation, assignment or write off.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.4 Revenue recognition (continued)

- c. Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, wherein it is accounted on realisation, as per RBI guidelines. Loans are repaid by way of Equated Monthly Instalments (EMIs), which comprise of principal and interest. Interest is calculated on outstanding balance at the beginning of a month. EMIs generally commence only after the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is charged every month and is accounted on accrual basis.
- d. Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- e. Dividend income is recognised when the right to receive payment is established.
- f. Penal interest income on delayed EMI or Pre-EMI is recognized on receipt basis.
- g. Charges levied like cheque bouncing charges, loan conversion charges etc are recognized on receipt basis.
- h. Interest income on fixed deposits with banks is recognised on time proportion basis.

2.5 Provisioning on receivables from financing business

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by RBI.

Provisions against standard assets are made on the basis of prudential norms prescribed by RBI.

2.6 Fixed assets and depreciation

Property, plant & equipment

Property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment if any. The cost of Property, plant & equipment comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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 for calculating the depreciation. The useful lives of the fixed assets are as follows:



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.6 Fixed assets and depreciation (continued)

Nature of assets	Estimated useful life
Office Equipment	5 years
Vehicles	8 years
Computer and data processing units-End user devices, such as Desktops, laptops, etc.	3 years

Intangible fixed assets

Intangible fixed 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 or estimated useful life, whichever is shorter life.

2.7 Employee benefits

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

Provident fund

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity 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 actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Changes in the present value of defined obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.7 Employee benefits (continued)

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

2.8 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of the assets net selling price and the value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If such recoverable amount of the asset 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 profit and loss account. 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.

2.9 Investments

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

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

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

2.10 Loan origination costs

Loan origination costs comprise of costs paid to third party vendors and intermediaries for loan acquisition, processing, field verification, legal evaluation, title search, fraud check, technical valuation, etc. Such origination costs, directly attributable to disbursed loans, except SME, are amortised over 7 years or original contract period, whichever is shorter. SME Loans are amortised over original contractual period. The unamortised balance is disclosed as part of "Long-term loans and advances" and "Short-term loan and advances" based on amortisable tenor. Where the loan is foreclosed, securitised or written off, the unamortised portion of such loan origination costs are recognised as a charge to the statement of profit and loss at the time of such foreclosure, securitisation or write off.



Edelweiss Retail Finance Limited

Notes to the financial statements (*Continued*)

2.11 *Securitisation / Assignment*

The Company enters into securitization/ assignment transactions and assets are derecognized upon sale only if the Company surrenders control over the contractual rights that comprise in the financial assets.

The Company has adopted the accounting policy for securitization / assignment transactions, as notified by RBI in its circular "Revisions to the Guidelines on Securitisation Transactions" issued on August 21, 2012.

Unrealised gain on loan transfer transactions comprises of future interest receivable under par structure of securitisation.

Future interest receivable on loan transfer transaction comprises of Company's share of future interest strip receivables in case of a par structure securitised deals.

2.12 *Current and Deferred Tax*

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

Current tax

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

Deferred tax

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

Minimum Alternate Tax (MAT)

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



Edelweiss Retail Finance Limited

Notes to the financial statements (*Continued*)

2.13 *Earnings per share*

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

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

2.14 *Provisions and contingencies*

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

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

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

2.15 *Borrowing Costs*

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

2.16 *Cash and cash equivalents*

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

2.17 *Foreign Exchange transactions*

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

3.1 Share capital

Authorised:

50,000,000 (Previous year: 50,000,000) Equity Shares of Rs. 10 each

As at
31 March 2018

As at
31 March 2017

500.00

500.00

500.00

500.00

Issued, Subscribed and Paid up::

42,950,000 (Previous year: 32,950,000) Equity Shares of Rs. 10 each, fully paid up

429.50

329.50

429.50

329.50

Movement in share capital

Equity Shares of Rs 10 each fully paid

Outstanding at the beginning of the year

Shares issued during the year

Outstanding at the end of the year

As at 31 March 2018		As at 31 March 2017	
Number of shares	Amount	Number of shares	Amount
32,950,000	329.50	29,950,000	299.50
10,000,000	100.00	3,000,000	30.00
42,950,000	429.50	32,950,000	329.50

During the year the Company issued 50,00,000 fully paid-up equity shares of Rs.10 each at a premium of Rs 90 each for the total consideration of Rs. 500.00 million to Edelweiss Financial Services Limited and 50,00,000 fully paid-up equity shares of Rs.10 each at a premium of Rs 90 each for the total consideration of Rs. 500.00 million to Edelcap Securities Limited.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Edelcap Securities Limited, the holding company

Edelweiss Financial Services Limited

Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited)

As at 31 March 2018		As at 31 March 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
30,258,333	70.45%	25,258,333	76.66%
9,691,667	22.57%	4,691,667	14.24%
3,000,000	6.98%	3,000,000	9.10%
42,950,000	100.00%	32,950,000	100.00%

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

Equity Shares of Rs 10 each fully paid

Edelcap Securities Limited

Edelweiss Financial Services Limited

Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited)

As at 31 March 2018		As at 31 March 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
30,258,333	70.45%	25,258,333	76.66%
9,691,667	22.57%	4,691,667	14.24%
3,000,000	6.98%	3,000,000	9.10%
42,950,000	100.00%	32,950,000	100.00%

Rights, preferences and restriction attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

(Currency : Indian Rupees in Millions)

3.2 Reserves and surplus

	As at 31 March 2018	As at 31 March 2017
Capital Reserve	8.18	8.18
Securities Premium Account	2,152.92	1,978.08
Opening balance	900.00	234.00
Add : Capital infusion during the year		
Less: Expenses on issue of privately placed non convertible debentures [net of tax of Rs.15.28 million (Previous year Rs. Nil)]	28.87	-
Less: Expenses on issue of publicly placed non convertible debentures [net of tax Rs.30.90 million (Previous year Rs. Nil)]	58.41	-
Less : Provision for premium payable on redemption of non convertible debentures [net of tax of Rs. 9.41 million (Previous year Rs. 31.31 million)]	17.77	59.16
	<u>2,947.87</u>	<u>2,152.92</u>
Debenture Redemption Reserve	8.99	-
Add : Transfer from Profit and Loss Account	8.99	-
Closing Balance		
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India *	128.96	65.07
Opening balance	63.37	63.89
Add : Additions during the year	<u>192.33</u>	<u>128.96</u>
Surplus in statement of profit and loss	515.37	259.80
Opening Balance	316.86	319.46
Add: Net profit for the year	<u>832.23</u>	<u>579.26</u>
Amount available for appropriation	63.37	63.89
Appropriations:	8.99	-
Less: Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	759.87	515.37
Less: Transfer to Debenture Redemption Reserve		
	<u>3,917.24</u>	<u>2,805.43</u>

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



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures [Refer note 3.3A]		
a. Privately Placed Non-convertible debentures	3,000.00	2,000.00
b. Public issue of Non-convertible debentures	4,916.22	-
[Secured by pari passu charge on immovable property and loans and advance]		
Term loans from bank [Refer note 3.55(a)]	9,107.20	4,328.58
Term loans from others [Refer note 3.55(b)]	1,925.00	-
[Secured by pari passu charge on receivables of the company]		
	18,948.42	6,328.58
<u>Unsecured</u>		
Non-convertible redeemable subordinated debt (Refer note 3.3B)	1,500.00	260.00
Non-convertible non redeemable perpetual debt (Refer note 3.3C)	450.00	-
	20,898.42	6,588.58

3.3A Repayment terms of Secured Non-convertible Debentures are as follow.

The debentures are secured by way of pari passu charge on an immovable property and standard loan assets to the extent of 100% of the outstanding amount of the debentures, unless otherwise stated.

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2018	As at 31 March 2017
ERFL/Public NCD/Series VI *	9.25%	22-Mar-2018	22-Mar-2028	483547	483.55	-
ERFL/Public NCD/Series V *	8.88%	22-Mar-2018	22-Mar-2028	409205	409.21	-
ERFL/Public NCD/Series IV *	9.00%	22-Mar-2018	22-Mar-2023	640817	640.82	-
ERFL/Public NCD/Series III *	8.65%	22-Mar-2018	22-Mar-2023	234347	234.35	-
ERFL/Public NCD/Series II *	8.75%	22-Mar-2018	22-Mar-2021	2984334	2,984.33	-
ERFL/Public NCD/Series I *	8.42%	22-Mar-2018	22-Mar-2021	163967	163.96	-
ERFL/NCD/07Nov22	8.50%	07-Nov-2017	07-Nov-2022	1000	1,000.00	-
ERFL/NCD/19Aug20	9.00%	19-Aug-2015	19-Aug-2020	2000	2,000.00	2,000.00
ERFL/NCD/30Mar18	0.00%	31-Mar-2015	30-Mar-2018	250	-	250.00
ERFL/NCD/18Aug17	9.00%	19-Aug-2015	18-Aug-2017	750	-	750.00
Total					7,916.22	3,000.00
Of which Current maturities have been classified under other Current Liabilities (Refer Note No. 3.9)					-	1,000.00
Long Term borrowings (NCDs)					7,916.22	2,000.00

Note: * During the current year, the Company has raised Rs 4,916.22 million through public issue of 4,916,217 Secured Redeemable Non-Convertible Debentures. As at March 31 2018, the Company has utilised the whole of the aforementioned proceeds towards the objects of the issue as stated in the Prospectus. These debentures issued by the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

3.3B Repayment terms of Unsecured non-convertible redeemable subordinate debentures are as follow.

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2018	As at 31 March 2017
INE528S08019	11.25%	25-May-2015	26-May-2025	140	140.00	140.00
INE528S08027	9.95%	10-Oct-2016	09-Oct-2026	120	120.00	120.00
INE528S08035	9.25%	31-Jul-2017	31-Jul-2027	240	240.00	-
INE528S08043	9.25%	06-Oct-2017	06-Oct-2027	1000	1,000.00	-
Total					1,500.00	260.00
Of which Current maturities have been classified under other Current Liabilities (Refer Note No. 3.9)					-	-
Long Term borrowings (NCDs)					1,500.00	260.00

3.3C Repayment terms of Unsecured non-convertible redeemable perpetual debentures are as follow.

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2018	As at 31 March 2017
INE528S08050	9.75%	26-Dec-2017	Perpetual	200	200.00	-
INE528S08068	10.00%	07-Feb-2018	Perpetual	250	250.00	-
Total					450.00	-



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.4 Deferred tax Assets / Liabilities		
<u>Deferred tax liabilities</u>		
Amortised loan origination costs	204.24	63.22
Difference between book and tax depreciation	(1.07)	0.33
Total (A)	203.17	63.55
<u>Deferred tax assets</u>		
Provision for standard assets	44.96	17.80
Amortised processing fees	165.94	41.79
Provision for Gratuity	1.94	1.26
Provision for Non performing assets	16.83	15.47
Others	10.54	9.15
Total (B)	180.21	85.47
Deferred Tax (Asset)/Liability (A - B)	22.96	(21.92)
3.5 Other long-term liabilities		
Unamortised processing fees	120.63	52.84
Interest accrued but not due on borrowings	87.35	156.04
Unrealised gain on loan transfer transactions	3.96	41.99
	211.94	250.87
3.6 Long-term provisions		
Provision for employee benefits		
Gratuity (Refer note no. 3.27D)	4.79	3.13
Compensated leave absences	1.43	0.75
Deferred bonus	10.64	9.50
Other Provisions:		
Provision for non performing assets	11.71	2.82
Provision for standard assets	76.03	39.06
Provision for restructured loan	4.54	4.66
Provision for credit loss on securitisation	9.56	35.74
	118.70	95.66



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.7 Short-term borrowings		
<u>Secured</u>		
Bank overdraft	1,592.65	1,018.53
[Secured by pari passu charge on receivables of the company]		
<u>Unsecured</u>		
Loans from a related party (repayable on demand) (Refer note no. 3.25(ii))	1,274.98	732.47
[repayable on demand at rate of 9% p.a.]		
	2,867.63	1,751.00
3.8 Trade payables		
Trade payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
i) Acceptances	-	-
ii) Others	-	-
a. Related Parties (Refer note no. 3.25(ii))	121.22	51.81
b. Others (includes sundry creditors and provision for expenses)	418.09	338.99
	539.31	390.80
3.9 Other current liabilities		
Current maturities of long term secured debt		
Term loan from bank [Refer note 3.55(a)]	2,488.72	1,520.83
Term loan from others [Refer note 3.55(b)]	542.00	-
Non-convertible debentures - (Refer note 3.3A, 3.3B and 3.3C)	-	1,000.00
Interest accrued but not due on borrowings	279.52	148.47
Income received in advance	1.84	0.46
Unamortised processing fees	182.54	67.91
Other Payables		
Accrued salaries and benefits	33.70	42.75
Withholding taxes, service tax, GST and other taxes payable	96.04	25.47
Bank overdraft	1,212.11	280.11
Provision for capital expenditure	3.59	0.50
Others	8.48	2.94
Unrealised gain on loan transfer transactions	30.47	158.83
	4,879.01	3,248.27
3.10 Short-term provisions		
Provision for employee benefits		
Gratuity (Refer note 3.27B)	0.77	0.50
Compensated absences	0.24	0.24
Deferred bonus	17.85	15.95
Other Provisions :		
Provision for non performing assets	22.34	1.48
Provision for standard assets	52.65	12.36
Provision for taxation (Net of advance tax Rs.392.71 million; Previous year:Rs.311.93 million)	31.02	26.21
	124.87	56.74



Edelweiss Retail Finance Limited

Notes to financial statements (Continued) as on 31 March 2018

(Currency : Indian Rupees in Millions)

3.11 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	Charge for the year	Deductions during the year	As at 31 March 2018
Property, plant & equipment							
	0.37	-	-	0.37	-	-	0.37
	-	18.82	-	18.82	1.60	-	17.22
	-	5.88	-	5.88	0.65	-	5.23
	6.97	1.35	1.28	7.04	1.87	0.75	4.02
	0.57	10.25	0.08	10.74	0.34	0.06	8.51
	4.41	18.65	0.24	22.82	0.82	0.10	14.76
	12.32	54.95	1.60	65.67	3.03	0.91	50.11
Intangible assets							
	4.10	0.92	-	5.02	0.79	-	2.66
	4.10	0.92	-	5.02	0.79	-	2.66
	16.42	55.87	1.60	70.69	3.82	0.91	52.77

1) There is no revaluation of assets during the year.

2) There are no adjustments on account of borrowing costs.

3) * Charge against Secured Redeemable Non-convertible Debentures (Refer note 3.3A)



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

3.11 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block As at 31 March 2017
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	Charge for the year	Deductions during the year	As at 31 March 2017
Property, plant & equipment							
Land	0.37	-	-	0.37	-	-	0.37
Vehicles	1.28	6.24	0.55	6.97	1.57	0.06	5.10
Office equipment	0.50	0.07	-	0.57	0.16	-	0.23
Computers	0.11	4.30	-	4.41	0.81	-	3.59
Total : A	2.26	10.61	0.55	12.32	2.54	0.06	9.29
Intangible assets							
Computer software	0.10	3.99	-	4.09	0.78	-	3.31
Total : B	0.10	3.99	-	4.09	0.78	-	3.31
Grand Total [A+B]	2.36	14.60	0.55	16.41	3.32	0.06	12.60

1) There is no revaluation of assets during the year.

2) There are no adjustments on account of borrowing costs.

3) * Charge against Secured Redeemable Non-convertible Debentures (Refer note 3.3A)



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.12 Long-term loans and advances (considered good, unless stated otherwise)		
<u>Secured</u>		
Receivable from financing business	13,043.06	5,137.10
- Standard Assets	217.81	28.23
- Sub-standard Assets	18.53	-
- Doubtful Assets	13,279.40	5,165.33
<u>Unsecured</u>		
Receivables from financing business	5,891.23	2,434.03
- Standard Assets	31.38	24.74
- Sub-standard Assets	5,922.61	2,458.77
Other loans and advances (Unsecured considered good)	57.10	3.67
Rental deposits	225.88	78.59
Unamortised loan origination costs		
Advance income taxes (net of provision for Tax Rs 0.39 million; Previous year Rs. 0.58 million)	2.40	0.05
MAT credit entitlement	56.40	-
	6,264.39	2,541.08
	19,543.79	7,706.41
3.13 Other non-current assets (Unsecured considered good)		
Deferred Consideration on loan transfer transactions	3.96	42.00
	3.96	42.00



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.14 Trade receivables		
Debtors outstanding for a period exceeding six months	-	-
Other debts		
Unsecured, considered good	12.14	-
	<u>12.14</u>	<u>-</u>
3.15 Cash and bank balances		
Cash and Cash equivalents		
Balances with Banks		
- in Current accounts	213.73	7.88
Other Banks Balances		
- Short term deposits with banks (Refer note 3.28)	20.00	64.33
(Other bank deposits with maturity more than 3 months and less than 12 months)		
	<u>233.73</u>	<u>72.21</u>
3.16 Short-term loans and advances		
(considered good, unless stated otherwise)		
Secured		
Receivable from financing business		
- Standard Assets	3,958.24	4,005.08
- Sub-standard Assets	25.44	1.32
- Doubtful Assets	6.27	-
	<u>3,989.95</u>	<u>4,006.40</u>
Unsecured		
Receivables from financing business		
- Standard Assets	9,208.56	3,098.38
- Sub-standard Assets	46.59	7.68
	<u>9,255.15</u>	<u>3,106.06</u>
Other loans and advances		
(Unsecured considered good)		
Deposits- others	0.13	0.13
Prepaid expenses	0.90	0.74
Unamortised loan origination costs	358.59	104.09
Loans and advances to employees	0.63	0.42
Input tax credit	135.94	29.01
Advances recoverable in cash or in kind or for value to be received	28.24	49.52
	<u>9,779.58</u>	<u>3,289.97</u>
	<u>13,769.53</u>	<u>7,296.37</u>
3.17 Other current assets		
(Unsecured, considered good)		
Accrued interest on Inter-corporate deposits	0.03	0.02
Accrued interest on loans	19.89	17.18
Accrued interest on loans not due	337.21	188.31
Deferred Consideration on loan transfer transactions	30.47	158.83
	<u>387.60</u>	<u>364.34</u>



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
3.18 Fee and commission income		
Loan processing fees and other fees	272.12	187.20
	<u>272.12</u>	<u>187.20</u>
3.19 Interest Income		
On loans	3,378.95	2,338.10
On fixed deposits	1.78	0.02
On others	0.04	0.04
	<u>3,380.77</u>	<u>2,338.16</u>
3.20 Other income		
Miscellaneous income	23.33	9.98
	<u>23.33</u>	<u>9.98</u>



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
3.21 Employee benefits expense		
Salaries, wages and bonus (Refer note 3.30)	315.64	198.29
Contribution to provident and other funds (Refer note 3.27A)	15.90	7.68
Staff welfare expenses	8.07	9.74
	339.61	215.71
3.22 Finance costs		
Interest on debentures [Refer note 3.25(ii)]	304.47	434.60
Interest on Subordinated Debt	87.83	23.18
Interest on term loan	819.70	557.09
Interest on bank overdraft	49.36	19.67
Interest on loan from related party [Refer note 3.25(ii)]	301.98	112.07
Discount on Non Convertible Debentures	3.84	9.72
Discount on commercial paper	7.49	-
Interest on shortfall in payment of Advance Income Tax	0.28	1.19
Bank charges	25.84	3.67
	1,600.79	1,161.19
3.23 Other expenses		
Advertisement and business promotion	7.70	3.07
Auditors' remuneration (Refer Note 3.23A)	1.72	1.62
Bad- debts and advances written off	287.20	225.54
Commission and brokerage	2.59	0.94
Communication	8.35	1.35
Computer software	1.03	0.05
Corporate Social Responsibility Expense	2.50	0.50
Directors' sitting fees	0.44	0.40
Electricity charges (Refer note 3.30)	4.45	1.41
Legal and professional fees	251.35	114.20
Loan origination costs amortised	422.78	231.10
Office expenses	6.58	1.60
Printing and stationery	4.87	1.63
Provision for standard assets	77.25	9.65
Provision for restructured advances	(0.12)	2.91
Provision for non performing assets	29.76	(23.79)
Provision for credit loss on securitisation	(26.19)	30.14
Rates and taxes	0.85	0.27
Rating Support Fees	0.22	12.50
Rent (Refer note 3.30)	40.05	10.25
Repairs and maintenance - others	2.11	0.61
ROC expenses	0.00	(0.07)
Service tax expenses	69.10	21.31
Stamp duty	14.79	7.73
Travelling and conveyance	20.85	9.39
Miscellaneous expenses	10.68	1.51
	1,240.91	665.82
3.23A Auditors' remuneration:		
As Statutory Auditors	1.66	1.51
Towards reimbursement of expenses	0.06	0.11
	1.72	1.62



(Currency: Indian rupees in Million)

3.24 Segment reporting

The Company is registered with the Reserve Bank of India as a Non Banking Financial Company engaged in the business of lending and financing. All other activities of the Company revolve around the main business. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment. As the Company's business activity falls within a primary business segment, the financial statements are reflective of the information required under Accounting Standard 17 on Segment Reporting notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014.

3.25 Disclosure as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" notified under Section 133 of the Companies Act, 2013

(i) List of related parties and relationship:

Name of related parties by whom control is exercised	Edelcap Securities Limited - Holding Company Edelweiss Financial Services Limited – Ultimate holding Company
Fellow Subsidiaries (with whom transactions have taken place)	Auris Corporate Centre Limited (merged with Ecap Equities Limited w.e.f 1 st April 2017) ECL Finance Limited EdelGive Foundation Edelweiss Commodities Services Limited Edelweiss Housing Finance Limited Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) EFSL Trading Limited (Formerly known as EFSL Commodities Limited) Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited) Eternity Business Centre Limited (merged with Ecap Equities Limited w.e.f 1 st April 2017) Edelweiss Finance & Investments Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Global Wealth Management Limited Olive Business Centre Limited (merged with Ecap Equities Limited w.e.f 1 st April 2017) Ecap Equities Limited Edelweiss General Insurance Company Limited
Key Management Personnel	Mr. Arun Kumar Nayyar

(ii) Transactions with related parties :

Nature of Transaction	Related Party Name	As at 31 March 2018	As at 31 March 2017
Capital Account Transaction during the year:			
Equity shares issued to	Edelweiss Financial Services Limited	50.00	-
	Edelcap Securities Limited	50.00	-
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	20.00
Securities premium received from	Edelweiss Financial Services Limited	450.00	-
	Edelcap Securities Limited	450.00	-
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	234.00
Non convertible debentures issued to	Ecap Equities Limited	440.00	-
Assignment of loan portfolio from	Edelweiss Housing Finance Limited	-	1,005.91
Current account transactions:			
Loans taken from (refer note 3.25A(2))	Edelweiss Financial Services Limited	-	333.02
	Edelweiss Commodities Services Limited	5,171.46	3,472.40
Loans repaid to (refer note 3.25A(2))	Edelweiss Financial Services Limited	-	429.13
	Edelweiss Commodities Services Limited	4,628.94	2,739.93
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	-	290.00
Interest Expenses on loan from	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	-	7.03
	Edelweiss Financial Services Limited	-	1.93
	Edelweiss Commodities Services Limited	361.98	103.11
Interest Expenses on Non convertible debentures	Edelweiss Commodities Services Limited	31.23	-
	ECL Finance Limited	1.74	-
Legal & Professional Fees	Edelweiss Housing Finance Limited	135.46	48.67
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	42.43	0.24
Service Fee Expenses	Edelweiss Housing Finance Limited	0.05	-



(Currency: Indian rupees in Million)

(ii) Transactions with related parties (Continued)

Nature of Transaction	Related Party Name	As at 31 March 2018	As at 31 March 2017
Reimbursement paid to	Edelweiss Financial Services Limited	-	65.76
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	6.11	71.84
	Edelweiss Commodities Services Limited	3.88	9.02
Reimbursement received from	ECL Finance Limited	0.89	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	1.11	1.92
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0.06
	Edelweiss Commodities Services Limited	3.69	2.16
	Eternity Business Centre Limited	-	6.24
	Ecap Equities Limited	10.85	-
	ECL Finance Limited	0.16	-
	Edelweiss Broking Limited	1.69	-
	Edelweiss Global Wealth Management Limited	0.68	-
	Edelweiss Securities Limited	0.67	-
	Edelweiss Housing Finance Limited	4.69	-
Sale of Fixed Assets	ECL Finance Limited	0.02	-
	Edelweiss Broking Limited	0.06	-
	Edelweiss Global Wealth Management Limited	0.03	-
Cost reimbursement Received from	ECL Finance Limited	3.42	-
	Edelweiss Broking Limited	0.01	-
	Edelweiss Financial Services Limited	0.04	-
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	0.17	-
	Edelweiss Housing Finance Limited	0.43	-
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0.01	-
Premium Expenses	Edelweiss General Insurance Company Limited	1.84	-
Commission & Brokerage Expenses	Edelweiss Investment Adviser Limited	-	0.95
	Edelweiss Broking Limited	37.68	-
Donation	EdelGive Foundation	2.50	0.50
Rating fee paid	Edelweiss Financial Services Limited	0.22	12.50
Remuneration paid to (refer note 3.25A(3))	Mr. Arun Kumar Nayyar	19.50	14.32
Director nomination deposit received from	Edelcap Securities Limited	-	0.30
Prepaid Expense	Edelweiss Financial Services Limited	-	0.71
Balances with related parties:			
Non convertible debentures (at face value) held by	Edelweiss Commodities Services Limited	479.00	-
	Edelweiss Finance & Investments Limited	3.00	-
	ECL Finance Limited	1,250.00	-
Short term borrowings from (refer note 3.25A(2))	Edelweiss Commodities Services Limited	1,274.98	732.47
Interest accrued and due on borrowings from	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	-	0.49



(Currency: Indian rupees in Million)

(ii) Transactions with related parties (Continued)

Nature of Transaction	Related Party Name	As at 31 March 2018	As at 31 March 2017
Interest Payable on debentures to	Edelweiss Commodities Services Limited	24.07	-
	Edelweiss Finance & Investments Limited	0.03	-
Trade Payables	Edelweiss Financial Services Limited	0.24	-
	Edelweiss Housing Finance Limited	91.93	51.46
	Edelweiss Securities Limited	0.06	-
	Edelweiss Commodities Services Limited	0.09	-
	Edelweiss Business Services Limited	-	-
	(Formerly known as Edelweiss Web Services Limited)	24.66	0.35
	Ecap Equities Limited	1.92	-
	ECL Finance Limited	1.47	-
	Edelweiss Broking Limited	0.83	-
	Edelweiss Global Wealth Management	0.02	-
Trade Receivables	ECL Finance Limited	5.42	-
	Edelweiss Broking Limited	0.08	-
	Edelweiss Business Services Limited	-	-
	(Formerly known as Edelweiss Web Services Limited)	0.18	-
	Edelweiss Securities Limited	0.02	-
	Edelweiss Housing Finance Limited	6.38	-
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0.01	-
Nomination deposits - Payables	Edelcap Securities Limited	0.60	0.60
Advances to others	Edelweiss Finance & Investments Limited	-	0.03
Nomination deposits - Receivables	Edelcap Securities Limited	0.10	0.10

Note : 3.25A

1. Previous year figures have been recasted / restated wherever necessary.
2. The Intra group Company loans are generally in the nature of revolving demand loans. Loan taken/repaid from/to related parties are disclosed based on the maximum incremental amount taken and repaid during the reporting period.
3. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
4. The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2018 and 31 March 2017.



(Currency: Indian rupees in Million)

3.26 Earnings per share

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Shareholders earnings (as per statement of profit and loss)	316.86	319.45
b) Calculation of weighted average number of Equity Shares of Re 10 each:		
- Number of equity shares outstanding at the beginning of the year	3,29,50,000	2,99,50,000
- Number of equity shares issued during the year	1,00,00,000	30,00,000
Total number of equity shares outstanding at the end of the year	4,29,50,000	3,29,50,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	3,63,88,356	3,17,60,685
Basic and diluted earnings per share (in Rupees) (a/b)	8.71	10.08

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares issued or outstanding as at 31 March 2018 and as at 31 March 2017.

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

A) Defined contribution plan (Provident fund):

Amount of Rs.13.05 million (previous year: Rs.5.73 million) is recognised as expenses and included in "Employee benefit expenses".

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net employee benefit expenses recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

Statement of profit and loss

Net employee benefit expenses recognized in the statement of profit & loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	1.36	0.86
Interest on defined benefit obligation	0.24	0.16
Past service cost	0.22	-
Actuarial losses	0.24	0.72
Total included in "Employee Benefit Expenses"	2.06	1.74

Balance Sheet

Reconciliation of Defined Benefit Obligation (DBO) are as follows:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of DBO at start of year	3.63	2.11
Interest cost	0.24	0.16
Current service cost	1.36	0.86
Employee Transfer in adjustment	0.02	0.03
Past service cost	0.22	-
Benefit paid	(0.15)	(0.25)
Actuarial Loss:	0.24	0.72
Present value of DBO at end of year	5.56	3.63



(Currency: Indian rupees in Million.)

3.27 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits (Continued)

Changes in the fair value of plan assets are as follows:		
	For the year ended 31 March 2018	For the year ended 31 March 2017
Fair value of plan assets at the beginning of the year	NA	NA
Acquisition adjustment	NA	NA
Expected return on plan asset	NA	NA
Contributions	NA	NA
Benefits paid	NA	NA
Actuarial gain/(loss):	NA	NA
Fair value of plan assets at the end of the year	NA	NA

Net liability / (asset) recognised in the Balance Sheet		
	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of DBO	5.56	3.63
Fair value of plan assets	-	-
Amount recognized in balance sheet - (assets)/liability	5.56	3.63
Of which, short term provision	0.77	0.50

Experience adjustment :				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Defined Benefit Obligation	5.56	3.63	2.11	0.03
Fair value of plan assets	-	-	-	-
Surplus / (Deficit)	(5.56)	(3.63)	(2.11)	(0.03)
On plan liabilities: (gain)/ loss	0.36	0.57	0.17	NA*

* Being the first actuarial valuation

Principal actuarial assumptions at the balance sheet date:		
	As at 31 March 2018	As at 31 March 2017
Discount rate current	7.00%	6.60%
Salary escalation current	7.00%	7.00%
Employees attrition rate (based on categories)	13-60%	13-60%
Mortality Rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working life of employees	3 years	4 years

3.28 Encumbrances* on fixed deposits held by the Company

Fixed deposit of Rs. 20 million have been given as margin against bank guarantee issued by State Bank of India in favour of BSE Limited for public issuance of Non convertible debenture by the company.
(Previous Year : Fixed deposit of Rs. 64.33 million have been given as credit enhancement towards Securitization.)

3.29 Contingent liabilities and commitments

- Corporate guarantee given by the Company in relation to securitisation transaction is Rs. 328.98 million (Previous year : Rs. 322.58 million)
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.
- Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for is Rs. 22.84 million (Previous Year Rs.1.02 million).
- Undrawn committed credit lines Rs. 863.13 million as at March 31, 2018 (Previous year: Rs. 59.73 million).

3.30 Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost (FY 2017-18), Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 3.21 and 3.23 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018
(Currency: Indian rupees in Million)

3.31 Details of dues to micro enterprise and small enterprise

Trade payables includes Rs. Nil (Previous year: Rs. Nil) payable to "suppliers" registered under the micro, small and medium enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

3.32 Derivatives and Long Term Contracts

The Company has a process whereby periodically all long term 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 has been made in the books of account. The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil) and hence detailed disclosure is not required.

3.33 Foreign currency

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

3.34 Investments

Particulars	As at 31 March 2018	As at 31 March 2017
1) Value of Investments		
i) Gross Value of Investments		
a) In India	-	-
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	-	-
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

3.35 Capital to risk assets ratio (CRAR)

Particulars	As at 31 March 2018	As at 31 March 2017
i) CRAR (%)	16.36%	18.67%
ii) CRAR - Tier I capital (%)	11.89%	17.90%
iii) CRAR - Tier II Capital (%)	4.47%	0.77%
iv) Amount of subordinated debt raised as Tier-II capital	1,500.00	260.00
v) Amount raised by issue of perpetual debt instruments	450.00	-



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018
(Currency: Indian rupees in Million)

3.36 Direct assignment & Securitisation

The Company sells loans through securitisation and direct assignment.

The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given

Particulars	As at 31 March 2018	As at 31 March 2017
Total number of loan assets under par structure	72	195
Total book value of loan assets	479.42	761.02
Sales consideration received	479.42	761.02

The information on direct assignment of the Company as an originator in respect of transaction done on premium during the year is

Particulars	As at 31 March 2018	As at 31 March 2017
Total number of loan assets under par structure	1712	1752
Total book value of loan assets	29.93	52.16
Sales consideration received	30.66	52.70

Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS, PD.No.301/3.10.01/2012-13 dated August 21, 2012

Particulars	As at 31 March 2018	As at 31 March 2017
1 No. of SPVs sponsored by the NBFC for securitisation transactions	3	4
2 Total amount of securitised assets as per books of the SPVs sponsored by the	592.29	2372.15
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	59.23	237.22
a) Off-balance sheet exposures		
- First loss	59.23	163.35
- Others	-	-
b) On-balance sheet exposures		
- First loss	-	73.87
- Others	-	-
4 Amount of exposures to assignment transactions other than MRR	260.56	194.16
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	260.56	159.23
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	34.93
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018
(Currency: Indian rupees in Million)

Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	As at 31 March 2018	As at 31 March 2017
i) No. of accounts	Nil	Nil
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
iii) Aggregate consideration	Nil	Nil
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v) Aggregate gain / loss over net book value	Nil	Nil

Disclosures in the notes to the accounts in respect of assignment transactions

Particulars	As at 31 March 2018	As at 31 March 2017
1 No. of transactions assigned by the NBFC	5	3
2 Total amount outstanding	920.60	680.87
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	102.14	75.20
a) Off-balance sheet exposures	-	-
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures	-	-
- First loss	102.14	75.20
- Others	-	-
4 Amount of exposures to assignment transactions other than MRR	-	-
a) Off-balance sheet exposures	-	-
i) Exposure to own assignments	-	-
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments	-	-
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures	-	-
i) Exposure to own assignments	-	-
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments	-	-
- First loss	-	-
- Others	-	-

Details of Assignment transactions undertaken

Particulars	As at 31 March 2018	As at 31 March 2017
i) No. of accounts	1,784	1,947
ii) Aggregate value (net of provisions) of accounts sold	509.35	813.17
iii) Aggregate consideration	510.08	813.72
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v) Aggregate gain / loss over net book value	0.73	0.55



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.37 Details of non-performing financial assets purchased / sold

During the year the Company has neither purchased nor sold any non-performing financial assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

	Particulars	As at 31 March 2018	As at 31 March 2017
1	(a) No. of accounts purchased during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil
2	(a) Of these, number of accounts restructured during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil

B. Details of Non-performing Financial Assets sold:

	Particulars	As at 31 March 2018	As at 31 March 2017
1	(a) No. of accounts sold	Nil	Nil
2	(b) Aggregate outstanding	Nil	Nil
3	(c) Aggregate consideration received	Nil	Nil

3.38 Un-hedged foreign currency risk

There are no un-hedged foreign currency risk as at March 31, 2018 (Previous year Rs. Nil)

3.39 Operating leases

The Company has taken premises on operating lease. Terms of the lease include terms for renewal, increase in rents in future periods and term of cancellation. Gross rental expenses for the year ended 31 March 2018 aggregated to Rs.40.05 million (Previous year Rs. 10.25 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

Minimum lease payments for non cancellable lease	For the year ended 31 March 2018	For the year ended 31 March 2017
- not later than one year	22.24	1.18
- later than one year and not later than five years	19.69	-
- later than five year	-	-

Future minimum lease payments for the non-cancellable operating lease are before sharing of expenses with group companies.

3.40 Fraud Reporting

There were no instances of fraud identified and reported during the year (Previous Year Nil) as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016

3.41 Exposure to real estate sector, both direct and indirect & exposure to capital market

a) Exposure to real estate sector, both direct and indirect

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Direct exposure		
(i) Residential mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	6,283.25	4,336.32
(ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc).	9,835.53	4,839.75
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised		
a) Residential	-	-
b) Commercial real estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.41 Exposure to real estate sector, both direct and indirect & exposure to capital market (continued)

b) Exposure to capital market

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-

3.42 Asset liability management

Maturity pattern of certain items of assets and liabilities

For the financial year 2017-18

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	1,107.29	1,134.05	1,127.19	3,429.43	6,447.23	9,147.44	2,617.94	7,436.63	32,447.11
Investments	-	-	-	-	-	-	-	-	-
Borrowings	141.33	255.00	493.15	1,832.05	3,176.82	12,596.24	5,459.43	2,842.75	26,796.77
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-

For the financial year 2016-17

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	696.85	940.71	1,689.55	1,281.17	2,504.18	2,990.30	1,252.53	3,381.27	14,736.56
Investments	-	-	-	-	-	-	-	-	-
Borrowings	426.13	569.94	1,135.14	1,130.21	1,010.41	3,041.67	3,286.91	260.00	10,860.41
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.43 Movements in non performing advances:

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

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
i)	Net NPAs to net advances (%)	0.95%	0.36%
ii)	Movement of NPAs (Gross)		
	a) Opening balance	61.97	39.76
	b) Additions during the year	632.45	191.37
	c) Reductions during the year	(348.40)	(169.16)
	d) Closing balance	346.02	61.97
iii)	Movement of net NPA		
	a) Opening balance	53.01	9.91
	b) Additions during the year	557.20	45.11
	c) Reductions during the year	(302.78)	(2.01)
	d) Closing balance	307.43	53.01
iv)	Movement of provisions for NPAs (including provisions on restructured assets)		
	a) Opening balance	8.96	29.85
	b) Additions during the year	75.25	146.26
	c) Reductions during the year	(45.62)	(167.15)
	d) Closing balance	38.59	8.96

3.44 Details of single borrower limit and group borrower limit exceeded by the Company:

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

3.45 Unsecured Advances

The company has not taken any charge over the rights, licenses, authorisation, etc., against unsecured loans given to borrowers.

3.46 Remuneration of Directors

The company has not entered into any transaction with non-executive directors during the year (Previous year Rs. Nil) except disclosure made in note 3.63

3.47 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items (Previous year Rs. Nil) and there are no changes in accounting policies during the year.

3.48 Accounting Standard 21 -Consolidated Financial Statements (CFS)

The company does not have any subsidiary, associate, or joint venture and hence consolidation is not required.

3.49 Details of 'provisions and contingencies'

Break up of 'provisions and contingencies' shown under the head expenditure in statement of profit and loss.		For the year ended 31 March 2018	For the year ended 31 March 2017
i)	Provisions for depreciation on investment		
ii)	Provision towards NPA (include Restructured assets)	29.64	(20.88)
iii)	Provision made towards income tax *	163.04	169.84
iv)	Provision for standard assets	77.25	9.65
v)	Other provision and contingencies		
	a) Provision for credit loss on securitisation	(26.19)	30.14

Note: * Includes current tax, MAT credit entitlement and deferred tax



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.50 Draw Down from Reserves

No Draw Down from the Statutory Reserves during FY 2017-18 (Previous Year Rs. Nil)

3.51 Concentration of deposits, advances, exposures and NPAs

		For the year ended 31 March 2018	For the year ended 31 March 2017
A) Concentration of advances			
Total advances to twenty largest borrowers		2,706.67	1,307.27
% of advances to twenty largest borrowers to total advances		8.34%	8.87%
B) Concentration of exposures (includes Off balance sheet exposure)			
Total exposures to twenty largest borrowers / customers		2,774.67	1,307.27
% of exposures to twenty largest borrowers / customers to total advances		8.25%	8.65%
C) Concentration of NPAs			
Total exposures to top four NPAs		83.33	36.59
D) Sector-wise NPAs			
		% of NPAs to total advances in that sector	
		For the year ended 31 March 2018	For the year ended 31 March 2017
1	Agriculture & allied activities	0.00%	0.00%
2	MSME	0.00%	0.00%
3	Corporate borrowers	0.40%	0.43%
4	Services	0.66%	0.41%
5	Unsecured personal loans	0.00%	0.00%
6	Auto loans	0.00%	0.00%
7	Other personal loans	0.00%	0.00%

3.52 Customer complaints

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	No. of complaints pending at the beginning of the year	70	52
(b)	No. of complaints received during the year	57	52
(c)	No. of complaints redressed during the year	13	-
(d)	No. of complaints pending at the end of the year	-	-

3.53 Details of ratings assigned by credit rating agencies

As at 31 March 2018

Instrument category		CRISIL	SMERA	ICRA	CARE	Brickworks	Brickworks
i)	Long term instruments						
	Rating	CRISIL AA/Stable	SMERA AA/Stable	[ICRA] AA	CARE AA	BWR AA	BWR AA+
	Amount	18,000.00	1,000.00	44,500.00	12,500.00	1,000.00	4,500.00
ii)	Short term instruments						
	Rating	CRISIL A+	NA	[ICRA] A1+	CARE A1+	NA	NA
	Amount	5,000.00	NA	6,000.00	5,000.00	NA	NA

As at 31 March 2017

Instrument category		CRISIL	ICRA	CARE	Brickworks
i)	Long term instruments				
	Rating	CRISIL AA/Stable	[ICRA] AA	CARE AA	BWR AA+
	Amount	10,000.00	31,500.00	5,500.00	4,500.00
ii)	Short term instruments				
	Rating	NA	[ICRA] A1+	CARE A1+	NA
	Amount	NA	6,000.00	5,000.00	NA

Note: 1. Only utilized credit rating details are provided

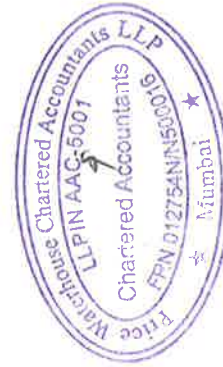
2. There were no changes in any of the ratings or outlook during the year



(Currency: Indian rupees in Million)

3.54 Disclosure of Restructured Accounts
(as required by RBI guidelines under reference DNBS, CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Sl No	Type of Restructuring Asset Classification Details	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Total
1	Restructured accounts as on 1st April, 2017 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	19	-	-	19
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	31.07	-	-	31.07
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	4.67	-	-	4.67
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	21	-	-	21
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	27.64	-	-	27.64
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	8.08	-	-	8.08
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	17	-	-	17
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	28.46	-	-	28.46
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	8.20	-	-	8.20
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st March, 2018 (Closing figures)	-	-	-	-	-	-	-	-	-	-	-	-	23	-	-	23
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	30.25	-	-	30.25
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	4.55	-	-	4.55
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



3.S4 *Disclosure of Resignature Accounts*
(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.55 a) Details of term loan taken from Banks

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
December-2022	257.33	-	-	257.33
September-2022	350.08	-	-	350.08
July-2022	31.25	-	-	31.25
June-2022	350.08	-	-	350.08
May-2022	18.75	-	-	18.75
April-2022	31.25	-	-	31.25
March-2022	381.33	-	-	381.33
February-2022	18.75	-	-	18.75
January-2022	31.25	-	-	31.25
December-2021	381.33	-	-	381.33
November-2021	18.75	-	-	18.75
October-2021	31.25	-	-	31.25
September-2021	381.33	-	-	381.33
August-2021	18.75	-	-	18.75
July-2021	31.25	-	-	31.25
June-2021	381.33	-	-	381.33
May-2021	18.75	-	-	18.75
April-2021	31.25	-	-	31.25
March-2021	427.00	105.50	-	532.50
February-2021	18.75	-	-	18.75
January-2021	31.25	-	-	31.25
December-2020	515.25	109.40	-	624.65
November-2020	18.75	-	-	18.75
October-2020	31.25	-	-	31.25
September-2020	660.49	109.40	-	769.89
August-2020	18.75	-	-	18.75
July-2020	31.25	-	-	31.25
June-2020	660.49	109.40	-	769.89
May-2020	18.75	-	-	18.75
April-2020	64.58	-	-	64.58
March-2020	660.49	109.40	-	769.89
February-2020	18.75	-	-	18.75
January-2020	64.58	-	-	64.58
December-2019	660.49	109.40	-	769.89
November-2019	18.75	-	-	18.75
October-2019	64.58	-	-	64.58
September-2019	660.49	109.40	-	769.89
August-2019	18.75	-	-	18.75
July-2019	64.58	-	-	64.58



(Currency: Indian rupees in Million)

3.55 a) Details of term loan taken from Banks (continued)

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
June-2019	660.49	109.40	-	769.89
May-2019	18.75	-	-	18.75
April-2019	64.58	-	-	64.58
March-2019	660.50	109.40	-	769.90
February-2019	18.75	-	-	18.75
January-2019	64.59	-	-	64.59
December-2018	401.04	109.40	-	510.44
November-2018	18.75	-	-	18.75
October-2018	64.58	25.00	-	89.58
September-2018	331.25	109.40	-	440.65
August-2018	18.75	-	-	18.75
July-2018	33.33	25.00	-	58.33
June-2018	331.25	109.40	-	440.65
April-2018	33.33	25.00	-	58.33
Total	10,212.02	1,383.90	-	11,595.92

Current Maturity	2,488.72
Long Term Borrowings	9,107.20
Total	11,595.92

Nature of security and terms of repayment for secured borrowings (other than debentures):

All secured long term borrowings are secured by way of hypothecation of receivables i.e. loans and advances and corporate guarantee from the ultimate holding company and/or holding company.

As at March 31 2017

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
March-2022	-	31.25	-	31.25
December-2021	-	31.25	-	31.25
September-2021	-	31.25	-	31.25
June-2021	-	31.25	-	31.25
March-2021	46.82	140.63	5.98	193.43
December-2020	105.93	187.50	6.25	299.68
September-2020	140.63	187.50	6.25	334.38
June-2020	140.63	187.50	6.25	334.38
March-2020	140.63	187.50	37.50	365.63
December-2019	140.63	187.50	37.50	365.63
September-2019	140.63	187.50	37.50	365.63
June-2019	140.63	187.50	37.50	365.63
March-2019	140.63	187.50	37.50	365.63
December-2018	140.63	187.50	37.50	365.63
October-2018	-	25.00	-	25.00
September-2018	140.63	208.34	37.50	386.47
July-2018	-	25.00	-	25.00
June-2018	140.63	208.33	37.50	386.46
April-2018	-	25.00	-	25.00
March-2018	140.62	177.08	37.50	355.20



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.55 a) Details of term loan taken from Banks (continued)

As at March 31 2017

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
January-2018	-	25.00	-	25.00
December-2017	140.63	177.08	37.50	355.21
October-2017	-	25.00	-	25.00
September-2017	140.63	177.08	37.50	355.21
July-2017	-	25.00	-	25.00
June-2017	140.63	177.08	37.50	355.21
April-2017	-	25.00	-	25.00
Total	2,121.56	3,253.12	474.73	5,849.41

Current Maturity	1,520.83
Long Term Borrowings	4,328.58
Total	5,849.41

3.55 b) Details of term loan taken from SIDBI

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
March-2023	52.50	-	-	52.50
December-2022	52.50	-	-	52.50
September-2022	52.50	-	-	52.50
June-2022	52.50	-	-	52.50
April-2022	89.00	-	-	89.00
March-2022	52.50	-	-	52.50
January-2022	83.00	-	-	83.00
December-2021	52.50	-	-	52.50
October-2021	83.00	-	-	83.00
September-2021	52.50	-	-	52.50
July-2021	83.00	-	-	83.00
June-2021	52.50	-	-	52.50
April-2021	83.00	-	-	83.00
March-2021	52.50	-	-	52.50
January-2021	83.00	-	-	83.00
December-2020	52.50	-	-	52.50
October-2020	83.00	-	-	83.00
September-2020	52.50	-	-	52.50
July-2020	83.00	-	-	83.00
June-2020	52.50	-	-	52.50
April-2020	83.00	-	-	83.00
March-2020	52.50	-	-	52.50
January-2020	83.00	-	-	83.00
December-2019	52.50	-	-	52.50
October-2019	83.00	-	-	83.00
September-2019	52.50	-	-	52.50
July-2019	83.00	-	-	83.00
June-2019	52.50	-	-	52.50
April-2019	83.00	-	-	83.00



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.55 b) Details of term loan taken from SIDBI (continued)

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
March-2019	52.50	-	-	52.50
January-2019	83.00	-	-	83.00
December-2018	52.50	-	-	52.50
October-2018	83.00	-	-	83.00
September-2018	52.50	-	-	52.50
July-2018	83.00	-	-	83.00
June-2018	52.50	-	-	52.50
April-2018	83.00	-	-	83.00
Total	2,467.00	-	-	2,467.00

Current Maturity	542.00
Long Term Borrowings	1,925.00
Total	2,467.00

Nature of security and terms of repayment for secured borrowings (other than debentures):

All secured long term borrowings are secured by way of hypothecation of receivables i.e. loans and advances and corporate guarantee from the ultimate holding company and/or holding company.

As at March 31 2017

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
-	Nil	Nil	Nil	Nil



(Currency: Indian rupees in Million)

3.56 Corporate social responsibility (CSR)

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

a) Gross Amount required to be spent by the Company during the year was Rs. 7.19 million; (Previous year Rs. 3.80 million)

b) Amount spent during the year on :

Particulars	In cash	Yet to be paid in cash	Total
i Construction/ acquisition of any assets	-	-	-
ii on purpose other than (i) above	2.50	-	2.50
	(2.50)	-	(2.50)

1. The Company is a subsidiary of Edelcap Securities Limited and ultimate holding Company is Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2006. As an amount of Rs 177.84 million (Previous year: Rs.115.68 million) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.

2. Figures in bracket are in respect of previous year.

3.57 Registration obtained from other financial sector regulators

The company is not registered under any other regulator other than Reserve Bank of India

3.58 Details of financing parent company products - Nil (Previous year - Nil)

3.59 Disclosure of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other Regulators during the financial year 2017-18 (Previous year - Nil)

3.60 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no overseas asset owned by the company (Previous year - Nil)

3.61 Disclosure under Regulation 53(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	As at 31 March 2018	As at 31 March 2017
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-
Investments by the lessee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

3.62 Note to the balance sheet of a non-deposit taking non-banking financial Company

Note to the balance sheet of a non-deposit taking non-banking financial Company as required in terms of paragraph 13 of Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018)

Liabilities side:					
Particulars	Amount outstanding		Amount overdue		
	As at	As at	As at	As at	
	31 March 2018	31 March 2017	31 March 2019	31 March 2017	
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid					
a) Debentures:					
(other than those falling within the meaning of Public deposit)					
(i) Secured	8,143.72	3,267.15	-	-	-
(ii) Unsecured	2,675.02	296.86	-	-	-
b) Deferred credits	-	-	-	-	-
c) Term loans	14,077.28	5,849.41	-	-	-
d) Inter-corporate loans and borrowing	-	-	-	-	-
e) Commercial paper	-	-	-	-	-
f) Other loans	-	-	-	-	-
1) Loan from related parties	1,274.98	732.97	-	-	-
2) Bank overdraft	1,592.65	1,018.53	-	-	-
Assets side:					
			Amount Outstanding		
			As at	As at	
			31 March 2018	31 March 2017	
2) Break up of loans and advances including bills receivables (other than those included in (3) below)					
a) Secured			17,269.35	9,142.18	
b) Unsecured			15,177.76	5,594.38	
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities					
a) Lease assets including lease rentals under sundry debtors:					
(i) Financial lease			-	-	-
(ii) Operating lease			-	-	-
b) Stock on hire including hire charges under sundry debtors					
(i) Assets on hire			-	-	-
(ii) Repossessed assets			-	-	-
c) Other loans counting towards asset financing Company activities					
(i) Loans where assets have been repossessed			-	-	-
(ii) Other loans			-	-	-



(Currency: Indian rupees in Million)

3.62 Note to the balance sheet of a non-deposit taking non-banking financial Company as required in terms of paragraph 13 of Master Direction- Non-Banking Financial Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018) (continued)

	As at 31 March 2018		As at 31 March 2017			
4) Break up of investments						
Current investments:						
a) Quoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
b) Unquoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others (pass through certificates)						
Details of term loan taken from SIDBI						
Long-term investments (net of provision)						
a) Quoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
b) Unquoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
- Pass through certificates						
- Security receipts						
5) Borrower group-wise classification of assets financed as in (2) and (3) above						
Particulars	Secured		Amount net of provisions Unsecured		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
1. Related parties**						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related						
2. Other than related	17,171.86	9,105.75	15,107.98	5,570.43	32,279.84	14,676.18
TOTAL	17,171.86	9,105.75	15,107.98	5,570.43	32,279.84	14,676.18
** As per Accounting Standard 18 - Related Party Transactions						
6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)						
Particulars	Market value/break up or fair value or NAV		Book value (net of provisions)			
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017		
1) Related parties						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related parties						
2) Other than related parties						
TOTAL						
7) Other information						
a) Gross non-performing assets						
1) Related parties						
2) Other than related parties			346.02	61.97		
b) Net non-performing assets						
1) Related parties						
2) Other than related parties			307.42	53.01		
c) Assets acquired in satisfaction of debt						

Note:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Company Acceptance of public deposits (Reserve bank) Direction, 1998.

3.63 Details of transaction with non executive directors

Name of the Director	Nature of Transaction	As at 31 March 2018	As at 31 March 2017
Mr. Mitul Shah	Sitting fees	0.22	0.20
Mr. Sanjay Shah	Sitting fees	0.22	0.20



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.64 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.

3.65 Off-Balance sheet SPV sponsored - Nil (Previous year - Nil)

3.66 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 08th November to 30th December 2016 pursuant to notification no. G.S.R. 308(E) dated 30th March 2017

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.13	0.00	2.13
(+) Permitted receipts	-	0.42	0.42
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	2.13	0.42	2.55
Closing cash in hand as on 30.12.2016	-	0.00 [^]	0.00 [^]

[^] Amount is less than 0.01 million

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

Previous year's figures have been regrouped and rearranged wherever necessary confirm to current year's presentation / classification.

Signature to notes forming part of the Financial Statements

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



Sharad Agarwal
Partner
Membership No: 118522

For and on behalf of the Board of Directors
Edelweiss Retail Finance Limited



Anil Kothuri
Director
DIN: 00177945



Shalinee Mimani
Director
DIN : 07404075



Vineet Mahajan
Chief Financial Officer



Sudipta Majumdar
Company Secretary
Membership no - A33961
02 May 2018

Mumbai
02 May 2018

02 May 2018