

# **Edelweiss Housing Finance Limited**

Financial Statements  
together with Auditors' Report  
for the year ended 31 March 2017

# **Edelweiss Housing Finance Limited**

## **Financial Statements together with Auditors' Report**

*For the year ended 31 March 2017*

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# B S R & Associates LLP

Chartered Accountants

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## Independent Auditor's Report

### To the Members of Edelweiss Housing Finance Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Edelweiss Housing Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2017, 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

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 and presentation of these financial statements that 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 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards 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.

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 auditor's 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.

## **Independent Auditor's Report (Continued)**

### **Edelweiss Housing Finance Limited**

#### **Auditor's responsibility (Continued)**

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.

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.

#### **Opinion**

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 31 March 2017, and its profits and its cash flows for the year ended on that date.

#### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.28 to the financial statements;



**Independent Auditor's Report (*Continued*)**  
**Edelweiss Housing Finance Limited**

**Report on other legal and regulatory requirements (*Continued*)**

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 2.37 to the financial statements.; and
- iii. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.61 to the financial statements.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No: 116231 W/W-100024



**Ashwin Suvarna**

*Partner*

Membership No: 109503

Mumbai  
16 May 2017

## Edelweiss Housing Finance Limited

### **Annexure A to the Independent Auditors' Report of even date on the financial statements of Edelweiss Housing Finance Limited**

The Annexure referred to in Independent Auditors' Report to the members of Edelweiss Housing Finance Limited ("the Company") on the financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is a Service Company primarily engaged in the business of providing finance to customers for mortgage / housing finance. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is 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.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of customs duty, excise duty, value added tax and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.



## Edelweiss Housing Finance Limited

### Annexure A to the Independent Auditors' Report of even date on the financial statements of Edelweiss Housing Finance Limited (*Continued*)

- (b) According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, service tax, and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs. mn)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.03	AY 2012-13	Commissioner of Income Tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government or debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised money by way of initial public offer or further public offer 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, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

## Edelweiss Housing Finance Limited

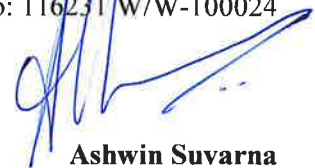
### **Annexure A to the Independent Auditors' Report of even date on the financial statements of Edelweiss Housing Finance Limited (*Continued*)**

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No: 116231 W/W-100024



**Ashwin Suvarna**

*Partner*

Membership No: 109503

Mumbai

16 May 2017



## Edelweiss Housing Finance Limited

### **Annexure - B to the Independent Auditor's Report of even date on the financial statements of Edelweiss Housing Finance Limited**

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

We have audited the internal financial controls over financial reporting of Edelweiss Housing Finance Limited (the "Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Edelweiss Housing Finance Limited

### **Annexure - B to the Independent Auditor's Report of even date on the financial statements of Edelweiss Housing Finance Limited (*Continued*)**

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 issued by the ICAI.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No: 116231 W/W-100024



**Ashwin Suvarna**

*Partner*

Membership No: 109503

Mumbai  
16 May 2017

# Edelweiss Housing Finance Limited

## Balance Sheet

as at 31 March 2017

(Currency : Indian rupees in millions)

	Note	As at 31 March 2017	As at 31 March 2016
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	2.1	493.50	493.50
(b) Reserves and surplus	2.2	3,443.50	2,892.28
		<u>3,937.00</u>	<u>3,385.78</u>
(2) Non-current liabilities			
(a) Long-term borrowings	2.3	20,033.14	9,815.35
(b) Other Long term liabilities	2.4	309.01	259.87
(c) Long-term provisions	2.5	363.05	157.81
		<u>20,705.20</u>	<u>10,233.03</u>
(3) Current liabilities			
(a) Short-term borrowings	2.6	2,240.64	6,263.01
(b) Trade payables	2.7		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		154.65	108.03
(c) Other current liabilities	2.8	6,885.33	4,447.02
(d) Short-term provisions	2.9	87.59	107.63
		<u>9,368.21</u>	<u>10,925.69</u>
<b>TOTAL</b>		<u><b>34,010.41</b></u>	<u><b>24,544.50</b></u>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets	2.10		
(i) Property, plant & equipment		33.18	26.02
(ii) Intangible assets		3.39	3.88
(iii) Capital work-in-progress		0.03	0.03
(b) Deferred tax assets (Net)	2.11	91.20	24.30
(c) Long-term loans and advances	2.12	21,021.47	12,207.66
(d) Other non-current assets	2.13	60.54	33.89
		<u>21,209.81</u>	<u>12,295.78</u>
(2) Current assets			
(a) Trade receivables	2.14	52.12	85.78
(b) Cash and bank balances	2.15	455.87	56.50
(c) Short-term loans and advances	2.16	11,972.06	11,886.20
(d) Other current assets	2.17	320.55	220.24
		<u>12,800.60</u>	<u>12,248.72</u>
<b>TOTAL</b>		<u><b>34,010.41</b></u>	<u><b>24,544.50</b></u>

Significant accounting policies and notes to financial statements

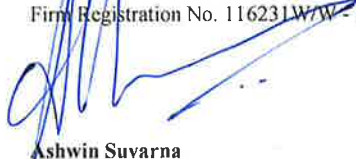
1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

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



Krishnaswamy  
Siddharth

Director

DIN : 02463804

Vincent Mahajan

Director

DIN : 07253615



Gaurang Tailor

Chief Financial Officer

Mumbai

16 May 2017



Ankit Kumar Jain

Company Secretary

Mumbai

16 May 2017

Mumbai

16 May 2017

# Edelweiss Housing Finance Limited

## Statement of Profit and Loss

for the year ended 31 March 2017

(Currency : Indian rupees in millions)

	Note	For the Year ended 31 March 2017	For the Year ended 31 March 2016
<b>Income</b>			
I. <b>Revenue from operations</b>			
Interest income	2.18	4,387.43	2,514.93
Fee income	2.19	265.29	213.09
II. <b>Other income</b>	2.20	16.36	5.37
III. <b>Total revenue</b>		<b>4,669.08</b>	<b>2,733.39</b>
<b>Expenses</b>			
IV. <b>Expenses</b>			
Employee benefits expense	2.21	369.69	274.34
Finance costs	2.22	2,285.10	1,368.64
Depreciation and amortization expenses	2.10	17.93	16.09
Other operating expenses	2.23	1,005.30	468.06
<b>Total expenses</b>		<b>3,678.02</b>	<b>2,127.13</b>
V. <b>Profit Before Tax</b>		<b>991.06</b>	<b>606.26</b>
VI. <b>Tax expense</b>			
(1) Current tax ( includes short provision for earlier year Rs.7.33 million; Previous year Rs. 1.89 million)		<b>378.60</b>	248.42
(2) Deferred tax (net)		<b>(66.90)</b>	(24.30)
VII. <b>Profit for the Year</b>		<b>679.36</b>	<b>382.14</b>
VIII. <b>Earnings per share</b> (Face Value Rs. 10)	2.26		
(1) Basic (in Rupees)		<b>13.77</b>	7.74
(2) Diluted (in Rupees)		<b>13.77</b>	7.74

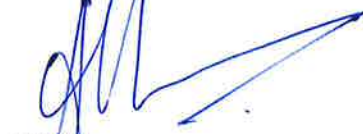
Significant accounting policies and notes to financial statements 1 & 2

As per our report of even date attached.

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W - 100024



**Ashwin Suvarna**

Partner

Membership No: 109503

**For and on behalf of the Board of Directors  
Edelweiss Housing Finance Limited**



**Vineet Mahajan**

Director

DIN : 07253615

**Krishnaswamy  
Siddharth**

Director

DIN : 02463804



**Gaurang Tailor**

Chief Financial Officer



**Ankit Kumar Jain**

Company Secretary

Mumbai  
16 May 2017

Mumbai  
16 May 2017

Mumbai  
16 May 2017

# Edelweiss Housing Finance Limited

## Cash Flow Statement

for the year ended 31 March 2017

(Currency : Indian rupees in millions)


	For the Year ended 31 March 2017	For the Year ended 31 March 2016
<b>A Cash flow from operating activities</b>		
Profit before taxation	991.06	606.26
<b>Adjustments for</b>		
Depreciation and amortization expenses	17.93	16.09
Bad debts write off	0.38	0.32
Provision for standard assets	64.79	66.88
Provision for non performing assets	84.23	59.95
Provision for credit loss on securitisation	9.36	-
Loss on sale of fixed assets (net)	0.29	0.04
Profit on sale of Current Investment (for finance company)	(0.08)	(0.38)
<b>Operating cash flow before working capital changes</b>	<b>1,167.96</b>	<b>749.16</b>
Add / (Less): Adjustments for working capital changes		
Decrease / (Increase) in trade receivables	33.66	(42.43)
(Increase) in short term loans and advances - Others	(49.32)	(89.64)
(Increase) / Decrease in long term loans and advances - Others	(33.73)	0.97
Decrease / (Increase) in other non current assets	2.19	(1.15)
(Increase) in other current assets	(100.31)	(92.20)
Increase in current liabilities and short term provisions	1,044.27	812.81
Decrease in non-current liabilities and long term provisions	(36.32)	(133.68)
Income taxes paid	(349.60)	(194.09)
<b>Net cash from operating activities</b>	<b>1,678.80</b>	<b>1,009.75</b>
Loan disbursed (net)	(10,740.35)	(9,972.09)
<b>Net cash used in operating activities - A</b>	<b>(9,061.55)</b>	<b>(8,962.34)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(25.29)	(20.97)
Sale of fixed assets	0.39	0.01
Purchase of Mutual funds	(420.00)	-
Redemption of Mutual funds	420.08	250.38
Increase in fixed deposits	(20.00)	-
<b>Net cash (used in)/from generated from investing activities - B</b>	<b>(44.82)</b>	<b>229.42</b>
<b>C Cash flow from financing activities</b>		
Non convertible debentures issued	7,250.00	-
Non convertible debentures repaid	(930.00)	(2,430.00)
Proceeds from loans securitized	1,938.91	1,186.40
Proceeds from short term borrowings (net)	(4,022.36)	5,294.90
Proceeds from long term borrowings (net)	5,278.03	4,427.91
<b>Net cash generated from financing activities - C</b>	<b>9,514.58</b>	<b>8,479.21</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>408.21</b>	<b>(253.71)</b>
Cash and cash equivalents as at the beginning of the year	37.06	290.77
Cash and cash equivalents as at the end of the year (refer note 2.15)	445.27	37.06

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231 W/W - 100024



Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors

Edelweiss Housing Finance Limited



Vineet Mahajan

Director

DIN : 07253615



Director

DIN : 02463804



Gaurang Tailor

Chief Financial Officer



Ankit Kumar Jain

Company Secretary

Mumbai  
16 May 2017

Mumbai  
16 May 2017

Mumbai  
16 May 2017

# Edelweiss Housing Finance Limited

## Notes to the financial statements

### 1. Significant accounting policies

#### 1.1 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 and the relevant provisions of the Companies Act, 2013 (to the extent applicable) (hereinafter referred to as 'the Act') and the schedule III to the Act and the Housing Finance companies ("NHB") Directions, 2010. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India and NHB guidelines are also considered, wherever applicable. The financial statements are presented in Indian Rupees in millions.

#### 1.2 Use of estimates

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

#### 1.3 Revenue recognition

- Interest income on loans is recognised on accrual basis except in case of non-performing assets where interest is recognised on realisation, as per NHB 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.
- Processing fees collected are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. 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 or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure, securitisation or write off.
- Penal interest income on delayed EMI or Pre-EMI is recognized on receipt basis.
- Charges levied like cheque bouncing charges, loan conversion charges etc are recognized on receipt basis.
- Fee income including advisory fees and loan management fees on CFI loans is accounted for on an accrual basis in accordance with the terms and conditions of contracts entered into between the Company and the counterparty.





# Edelweiss Housing Finance Limited

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

### 1.3 *Revenue recognition (continued)*

- 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.
- Dividend income is recognised when the right to receive payment is established.
- Interest income on fixed deposits with banks is recognised on accrual basis.

### 1.4 *Current-non-current classification*

All assets and liabilities are classified into current and non-current as follows:

#### **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 primarily 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.
- e. Current Assets include the current portion of non-current assets.

All other assets are classified as non-current.

#### **Liabilities**

A liability is classified as current when it 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, result in its settlement by the issue of equity instruments do not affect its classification.
- e. Current Liabilities include the current portion of noncurrent liabilities.

All other liabilities are classified as non-current.

### 1.5 *Asset Classification and Loan Provisioning*

Asset classification and provisions for non performing assets ("NPAs") are made as per the prudential norms prescribed in the Housing Finance companies ("NHB") Directions, 2010 as amended. Additional provisions (over and above the prudential norms) if required are made, based on the management's assessment of the degree of impairment of the loan asset.



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

### 1.5 Asset Classification and Loan Provisioning (continued)

Currently asset classification and provisioning prescribed by NHB and followed by the Company are as below:

S.N.	Asset Classification	NPA days from Maturity	Provisioning %
(I)	Sub-standard assets	> 90 days but <=15M	15% of outstanding loan
(II)	Doubtful assets		
	(i) Unsecured Portion	>15M	100% of unsecured loan portion
	(ii) Secured Portion		
	(a) Category 1	>15M but <=27M	25% of secured loan portion
	(b) Category 2	>27M but <=51M	40% of secured loan portion
	(c) Category 3	>51M	100% of Secured loan portion
(III)	Loss assets		100% of outstanding loan

Provision for standard assets is made on total outstanding amount of standard loans including accrued interest on such loans, on the basis of prudential norms laid down by NHB and as mentioned in Note 2.5A to the financial statements.

### 1.6 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 are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. The unamortised balance is disclosed as part of "Long-term loans and advances" and "Short-term loans and advances" based on amortisable tenor. Where the loan is foreclosed, securitised or written off, the unamortised portion of such loan origination costs is recognised as a charge to the statement of profit and loss at the time of such foreclosure, securitisation or write off.

### 1.7 Securitised Assets

Assets that are securitised and assigned are derecognised in the books of accounts based on the principle of transfer of ownership interest over the assets. De-recognition of such assets and recognition of gain or loss arising on such securitisation is based on the generally accepted accounting principles and industry practice.

### 1.8 Investments

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

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each individual non-current investment.





# Edelweiss Housing Finance Limited

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

### 1.8 *Investments (continued)*

Current investments are carried at lower of cost or 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.

### 1.9 *Fixed assets and depreciation*

#### **Property, plant & equipment and Capital work in progress**

Property, plant & equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of Property, plant & equipment comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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 up to 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 estimated useful lives of the fixed assets are as follows:

<b>Nature of assets</b>	<b>Estimated Useful Life</b>
Furniture and fixtures	10 years
Motor Vehicles	8 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

#### **Intangible fixed assets**

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

### 1.10 *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.



# Edelweiss Housing Finance Limited

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

### **1.10 Employee benefits (*continued*)**

#### *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.

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.

#### *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.

#### *Deferred Bonus*

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

### **1.11 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 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.



# Edelweiss Housing Finance Limited

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

### **1.12 Tax**

Tax expense comprises income tax (i.e. amount of tax for the period 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 period).

#### *Current tax*

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

#### *Deferred tax*

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized 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. Deferred Tax Assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably /virtually certain (as the case may be) to be realised.

#### *Minimum alternative tax (MAT)*

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

### **1.13 Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders 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 using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

### **1.14 Operating lease**

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



# Edelweiss Housing Finance Limited

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

### **1.15 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.

Provisions against standard assets and non-performing assets have been made as per the Prudential Norms prescribed by the National Housing Bank.



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

as at 31 March 2017

(Currency : Indian rupees in millions)

### 2.1 SHARE CAPITAL

#### AUTHORISED :

60,000,000 (Previous year: 60,000,000) equity shares of Rs. 10 each

As at  
31 March 2017

As at  
31 March 2016

600.00

600.00

600.00

600.00

#### ISSUED, SUBSCRIBED & PAID UP

49,350,000 (Previous year: 49,350,000) Equity shares of Rs. 10, fully paid-up

493.50

493.50

493.50

493.50

#### a. Reconciliation of shares at the beginning and at the end of the reporting period :

	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount	No of shares	Amount
<b>Equity shares</b>				
Outstanding at the beginning of the year	49,350,000	493.50	49,350,000	493.50
Issued during the year	-	-	-	-
Outstanding at the end of the year	49,350,000	493.50	49,350,000	493.50

#### b. Rights, Preferences and restrictions attached to each class of shares including restrictions on the distribution of dividend and repayment of capital :

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

#### c. Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held:

	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity share of Rs. 10 each fully paid-up:</b>				
Edelweiss Commodities Services Limited, the holding company.	38,300,000	77.6%	38,300,000	77.6%
Edelweiss Financial Services Limited, the ultimate holding company.	11,050,000	22.4%	11,050,000	22.4%
	49,350,000	100.0%	49,350,000	100.0%



# Edelweiss Housing Finance Limited

31 March 2017

31 March 2016

## Notes to the financial statements (Continued)

as at 31 March 2017

(Currency : Indian rupees in millions)

### 2.2 RESERVES AND SURPLUS

As at  
31 March 2017

As at  
31 March 2016

#### Securities premium account

Opening Balance	2,275.19	2,380.91
Less: Provision for premium payable on redemption of debentures (Refer note 2.31)	70.21	105.72
Less: Expenses on issuance of public issue of debentures (Refer note 2.31)	57.93	-
(A)	2,147.05	2,275.19

#### Debenture Redemption Reserve

Add : Transfer from Profit and Loss Account	121.48	-
Closing Balance	121.48	-
(B)	121.48	-

#### Statutory Reserve (refer note 2.2A)

(As per Section 29C of The National Housing Bank Act, 1987)

Opening Balance	135.85	59.42
Add : Additions during the year	135.87	76.43
Closing Balance	271.72	135.85
(C)	271.72	135.85

#### Surplus (Profit & Loss balance)

Opening balance in Statement of Profit and Loss	481.24	175.53
Add: Profit for the year	679.36	382.14
	1,160.60	557.67
Less: Transfer to statutory reserve under section 29C of The National Housing Bank Act, 1987	135.87	76.43
Less: Transfer to Debentures Redemption Reserves	121.48	-
Closing balance in the Statement of Profit and Loss	903.25	481.24
(D)	903.25	481.24

(A+B+C+D) 3,443.50 2,892.28





## Edelweiss Housing Finance Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.2 RESERVES AND SURPLUS (Continued)

- 2.2A As per Section 29C of the The National Housing Bank Act, 1987 (the "NHB Act"), the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income- tax Act, is considered to be an eligible transfer. The Company has transferred an amount of Rs.107.57 million (Previous Year Rs. 73.32 million) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of Rs.28.30 million (Previous Year Rs. 3.11 million) to "Statutory Reserve (As per Section 29C of The NHB Act)".

#### Reserve Fund under section 29C of National Housing Bank Act, 1987

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Balance at the beginning of the year</b>	<b>Amount</b>	<b>Amount</b>
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	28.82	25.71
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	107.03	33.71
<b>c) Total</b>	<b>135.85</b>	<b>59.42</b>
<b>Addition/Appropriation/Withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	28.30	3.11
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	107.57	73.32
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	57.12	28.82
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	214.60	107.03
<b>c) Total</b>	<b>271.72</b>	<b>135.85</b>



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

As at  
31 March 2017

As at  
31 March 2016

### 2.3 LONG TERM BORROWINGS

#### Secured

Non-convertible redeemable debentures (Refer Note No. 2.3A)

a. Privately Placed Non-convertible debentures	2,570.00	1,090.00
b. Public issue of Non-convertible debentures	5,000.00	-

Term loan from banks (Refer Note No. 2.3B) 11,590.17 8,076.68

Term loan from The National Housing Bank (Refer Note No. 2.3C) 372.97 148.67

#### Unsecured

Non-convertible Subordinated Debentures (Refer Note No. 2.3D) 500.00 500.00

**20,033.14** **9,815.35**

#### 2.3A 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)	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2017	As at 31 March 2016
EHFL/Public NCD/Series VII	19/Jul/2016	19/Jul/2026	59841	59.84	-
EHFL/Public NCD/Series VI	19/Jul/2016	19/Jul/2026	3492048	3,492.05	-
EHFL/Public NCD/Series V	19/Jul/2016	19/Jul/2026	248424	248.42	-
EHFL/Public NCD/Series IV	19/Jul/2016	19/Jul/2021	41815	41.82	-
EHFL/Public NCD/Series III	19/Jul/2016	19/Jul/2021	589016	589.02	-
EHFL/Public NCD/Series II	19/Jul/2016	19/Jul/2019	51853	51.85	-
EHFL/Public NCD/Series I	19/Jul/2016	19/Jul/2019	517003	517.00	-
EHFL/NCD/26Apr26	29/Apr/2016	29/Apr/2026	250	250.00	-
EHFL/NCD/08Apr19	21/Oct/2016	08/Apr/2019	250	250.00	-
EHFL/NCD/04Apr19	21/Oct/2016	04/Apr/2019	1750	1,750.00	-
EHFL/NCD/26Apr18	09/Mar/2015	26/Apr/2018	320	320.00	320.00
EHFL/NCD/10Mar18	05/Mar/2015	10/Mar/2018	80	80.00	80.00
EHFL/NCD/19Jan18	27/Oct/2014	19/Jan/2018	70	70.00	70.00
EHFL/NCD/05Dec17	12/Dec/2014	05/Dec/2017	100	100.00	100.00
EHFL/NCD/24Oct17	27/Oct/2014	24/Oct/2017	60	60.00	60.00
EHFL/NCD/12Sep17	12/Sep/2014	12/Sep/2017	100	100.00	100.00
EHFL/NCD/17Aug17	12/Sep/2014	17/Aug/2017	50	50.00	50.00
EHFL/NCD/24Apr17	28/May/2014	24/Apr/2017	60	60.00	60.00
EHFL/NCD/24Apr17*	20/Feb/2014	24/Apr/2017	250	250.00	250.00
EHFL/NCD/23Mar17*	28/Mar/2014	23/Mar/2017	250	-	250.00
EHFL/NCD/17Nov16*	18/Dec/2013	17/Nov/2016	400	-	400.00
EHFL/NCD/23Jun16	12/Sep/2014	23/Jun/2016	30	-	30.00
EHFL/NCD/28Apr16	28/May/2014	28/Apr/2016	250	-	250.00
<b>Total</b>				<b>8,340.00</b>	<b>2,020.00</b>
Of which Current maturities have been classified under other Current Liabilities (Refer Note No. 2.8)				<b>770.00</b>	<b>930.00</b>
<b>Long Term borrowings (NCDs)</b>				<b>7,570.00</b>	<b>1,090.00</b>

\* These NCDs are Zero Coupon Debentures issued at par and redeemable at premium.

Note : Coupon rate of "NCDs" outstanding as on 31 March 2017 varies from 9.25% to 11.75% (Previous year : varies from 10.00% to 11.75%).





# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 2.3 LONG TERM BORROWINGS (Continued)

#### 2.3B Repayment terms of term loan from banks are as follow.

As at 31 March 2017

Term loan from banks - Secured						
Rate of interest	Current maturities	Long Term Maturities				TOTAL
	<1 year	1-3 years	3-5 years	after 5 years	Total	
<=10%	3,663.76	7,668.37	2,861.97	734.83	11,265.17	14,928.93
10.01-11.00%	316.67	325.00	-	-	325.00	641.67
<b>Total</b>	<b>3,980.43</b>	<b>7,993.37</b>	<b>2,861.97</b>	<b>734.83</b>	<b>11,590.17</b>	<b>15,570.60</b>

As at 31 March 2016

Term loan from banks - Secured						
Rate of interest	Current maturities	Long Term Maturities				TOTAL
	<1 year	1-3 years	3-5 years	after 5 years	Total	
<=10%	554.17	2,321.89	1,475.00	106.25	3,903.14	4,457.31
10.01-11.00%	1,926.08	3,124.04	1,020.00	29.50	4,173.54	6,099.62
<b>Total</b>	<b>2,480.25</b>	<b>5,445.93</b>	<b>2,495.00</b>	<b>135.75</b>	<b>8,076.68</b>	<b>10,556.93</b>

#### 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.

#### 2.3C Repayment terms of term loan from National Housing Bank are as follow.

As at 31 March 2017

Term loan from National Housing Bank - Secured						
Rate of interest	Current maturities	Long Term Maturities				TOTAL
	<1 year	1-3 years	3-5 years	after 5 years	Total	
=8.50%	1.92	3.83	3.83	11.48	19.14	21.06
=8.90%	28.94	57.88	57.88	126.20	241.96	270.90
=6.12%	5.80	11.60	11.60	22.55	45.75	51.55
=8.60%	13.56	27.12	27.12	11.88	66.12	79.68
<b>Total</b>	<b>50.22</b>	<b>100.43</b>	<b>100.43</b>	<b>172.11</b>	<b>372.97</b>	<b>423.19</b>

As at 31 March 2016

Term loan from National Housing Bank - Secured						
Rate of interest	Current maturities	Long Term Maturities				TOTAL
	<1 year	1-3 years	3-5 years	after 5 years	Total	
=8.85%	10.17	27.12	27.12	94.43	148.67	158.84
<b>Total</b>	<b>10.17</b>	<b>27.12</b>	<b>27.12</b>	<b>94.43</b>	<b>148.67</b>	<b>158.84</b>

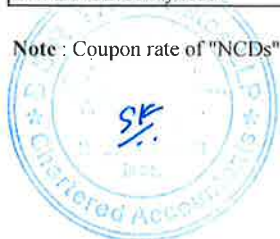
#### Nature of security and terms of repayment for secured borrowings (other than debentures):

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.

#### 2.3D Details of Unsecured Subordinated Debentures

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2017	As at 31 March 2016
EHFL/NCD/3May2025	04/Feb/2015	03/May/2025	500	500.00	500.00

Note : Coupon rate of "NCDs" outstanding as on March 31, 2017 is 11.25% (Previous year is 11.25%).



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.4 OTHER LONG-TERM LIABILITIES</b>		
Interest accrued but not due on borrowings	185.23	182.33
Unamortised processing fees	123.78	77.54
	<b>309.01</b>	<b>259.87</b>

## 2.5 LONG-TERM PROVISIONS

Provision for employee benefits :		
Gratuity (Refer Note No. 2.27B)	6.39	5.55
Compensated leave absences	1.11	0.88
Deferred bonus	18.94	
Other Provisions :		
Provision against standard assets (Refer Note No. 2.5A)	166.34	71.55
Provision for non performing assets (Refer Note No. 2.5A)	157.01	77.83
Provision for credit loss on securitisation	9.36	-
Others	3.90	2.00
	<b>363.05</b>	<b>157.81</b>

**2.5A** A general provision of 0.40% of total outstanding amount of Loans where collateral is residential property, a general provision of 0.75% of total outstanding amount of builder loans and a general provision of 1.00% of total outstanding amount of loans where collateral is commercial property, which are classified as standard assets has been made as per NHB's Direction No. NHB.(ND)/DRS/Pol.No.45/ dated 19th January 2012 & NHB.HFC.DIR.9/CMD/2013 dated 6th September 2013.

### Provisions for standard assets and non performing assets

Particulars	As at 31 March 2017			
	Provision for			
	Standard Assets	Sub-Standard Assets	Doubtful Assets	Loss Assets
<b>Housing</b>				
Current	18.21	1.10	2.97	3.06
Non Current	73.76	38.11	27.97	44.09
	<b>91.97</b>	<b>39.21</b>	<b>30.94</b>	<b>47.15</b>
<b>Non Housing</b>				
Current	22.86	0.79	1.44	-
Non Current	92.58	37.70	9.14	-
	<b>115.44</b>	<b>38.49</b>	<b>10.58</b>	<b>-</b>
As at 31 March 2016				
Provision for				
Particulars	Standard Assets	Sub-Standard Assets	Doubtful Assets	Loss Assets
<b>Housing</b>				
Current	33.69	0.78	1.13	1.84
Non Current	33.92	18.73	12.58	37.83
	<b>67.61</b>	<b>19.51</b>	<b>13.71</b>	<b>39.67</b>
<b>Non Housing</b>				
Current	37.38	0.46	0.08	-
Non Current	37.63	7.63	1.06	-
	<b>75.01</b>	<b>8.09</b>	<b>1.14</b>	<b>-</b>



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.6 SHORT-TERM BORROWINGS</b>		
<b>(a) Loans repayable on demand</b>		
<u>Secured</u>		
- Bank overdraft (Refer Note No. 2.6A)	834.14	1,438.52
(A)	<u>834.14</u>	<u>1,438.52</u>
<u>Unsecured</u>		
(Due within one year, unless otherwise stated)		
<b>(b) Loans and advances from related parties</b>		
Holding Company (Refer Note No. 2.25(ii))	155.31	655.48
<b>(c) Other loans and advances</b>		
- Commercial paper (Refer * below)	1,265.00	4,250.00
Less: Unamortised discount on commercial paper	13.81	80.99
	<u>1,251.19</u>	<u>4,169.01</u>
(B)	<u>1,406.50</u>	<u>4,824.49</u>
(A+B)	<u>2,240.64</u>	<u>6,263.01</u>

### 2.6A Nature of security and terms of repayment for secured borrowings :

All secured short 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.

\*Discount on Commercial Paper varies between 7.35% to 9.40% (Previous year 7.80% to 10.20%).

### 2.7 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. 2.25 (ii))

b. Others (includes sundry creditors and provision for expenses)

	-	-
	-	-
	36.16	45.86
	118.49	62.17
	<u>154.65</u>	<u>108.03</u>



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.8 Other current liabilities</b>		
<b><u>Borrowings :</u></b>		
Current maturities of long term debt-Secured		
Non-convertible debentures (Refer Note No. 2.3A)	770.00	930.00
Term loan from banks (Refer Note No. 2.3B)	3,980.43	2,480.25
The National Housing Bank (Refer Note No. 2.3C)	50.22	10.17
Interest accrued but not due on borrowings	578.79	241.95
Interest accrued and due on borrowings	-	15.29
<b>A</b>	<b>5,379.44</b>	<b>3,677.66</b>
<b><u>Others :</u></b>		
Unamortised processing fees	80.66	55.42
Accrued employee benefit expenses	84.41	82.07
Other payables		
Withholding tax, service tax and other taxes payable	2.56	29.21
Book overdraft	1,134.23	499.48
Others	204.03	103.18
<b>B</b>	<b>1,505.89</b>	<b>769.36</b>
<b>A+B</b>	<b>6,885.33</b>	<b>4,447.02</b>
<b>2.9 Short-term provisions</b>		
<b><u>- Provision for employee benefits :</u></b>		
Gratuity (Refer Note No. 2.27B)	1.68	1.10
Compensated leave absences	0.43	0.32
Deferred bonus	35.05	7.59
<b><u>- Other Provisions :</u></b>		
Provision for standard assets (Refer Note No. 2.5A)	41.07	71.07
Provision for non performing assets (Refer Note No. 2.5A)	9.36	4.29
Provision for taxation (net of advance tax and tax deducted at source in previous year Rs. 175.07 million)	-	23.26
	<b>87.59</b>	<b>107.63</b>



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 2.10 FIXED ASSETS

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Additions during the year	As at 31 March 2017	As at 31 March 2016
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>								
Land	1.21	-	-	1.21	-	-	1.21	1.21
Leasehold improvements	9.04	3.05	0.07	12.02	2.70	2.64	6.74	6.34
Furniture and fixtures	5.06	1.94	0.46	6.54	1.36	1.27	4.15	3.70
Vehicles	9.38	-	-	9.38	5.60	1.21	2.57	3.78
Office equipments	5.26	5.02	0.22	10.06	2.47	2.81	4.94	2.79
Computers	23.08	13.52	2.42	34.18	14.88	7.75	13.57	8.20
<b>Total : A</b>	<b>53.03</b>	<b>23.53</b>	<b>3.17</b>	<b>73.39</b>	<b>27.01</b>	<b>15.68</b>	<b>33.18</b>	<b>26.02</b>
<b>INTANGIBLE ASSETS</b>								
Computer software	33.48	1.76	-	35.24	29.60	2.25	3.39	3.88
<b>Total : B</b>	<b>33.48</b>	<b>1.76</b>	<b>-</b>	<b>35.24</b>	<b>29.60</b>	<b>2.25</b>	<b>3.39</b>	<b>3.88</b>
<b>Grand Total [A+B]</b>	<b>86.51</b>	<b>25.29</b>	<b>3.17</b>	<b>108.63</b>	<b>56.61</b>	<b>17.93</b>	<b>36.57</b>	<b>29.90</b>



## Edelweiss Housing Finance Limited

Notes to the financial statements (Continued)  
(Currency : Indian rupees in millions)

### 2.10 FIXED ASSETS (Continued)

Description of Assets	Gross Block			Depreciation				Net Block		
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Opening Reserve Adjustment*	Additions during the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
PROPERTY, PLANT & EQUIPMENT										
Land	1.21	-	-	1.21	-	-	-	-	1.21	1.21
Leasehold improvements	3.52	5.65	0.13	9.04	0.82	-	1.97	0.09	6.34	2.70
Furniture and fixtures	2.38	2.69	0.01	5.06	0.42	-	0.95	0.01	3.70	1.96
Vehicles	7.45	1.93	-	9.38	4.20	-	1.40	-	3.78	3.25
Office equipments	2.11	3.21	0.06	5.26	1.02	-	1.49	0.04	2.79	1.09
Computers	16.03	7.13	0.08	23.08	8.22	-	6.74	0.08	8.20	7.81
Total : A	32.70	20.61	0.28	53.03	14.68	-	12.55	0.22	26.02	18.02
INTANGIBLE ASSETS										
Computer software	32.23	1.25	-	33.48	26.06	-	3.54	-	3.88	6.17
Total : B	32.23	1.25	-	33.48	26.06	-	3.54	-	3.88	6.17
Grand Total [A+B]	64.93	21.86	0.28	86.51	40.74	-	16.09	0.22	29.90	24.19

\* As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the profit and loss statement of the Company, the depreciation charge for the last year ended 31 March 2015 was higher by Rs. 0.04 million had been charged to the opening balance of the retained earnings in respect of assets whose remaining useful life had expired as at 1 April 2014.



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.11 DEFERRED TAX ASSETS</b>		
<b>Deferred tax assets on account of :-</b>		
Difference between book and tax depreciation	1.92	0.46
Disallowances under section 43B of the Income Tax Act, 1961	22.01	5.34
Amortisation of loan processing fees	70.76	46.02
Provision for Non Performing Assets	44.82	28.43
Provision for Standard Assets	71.78	-
<b>Total (A)</b>	<b>211.29</b>	<b>80.25</b>
<b>Deferred tax liabilities on account of :-</b>		
Amortisation of loan origination cost	46.03	30.57
Special Reserve u/s 36(1) (viii)	74.06	25.38
<b>Total (B)</b>	<b>120.09</b>	<b>55.95</b>
<b>Net Deferred tax assets (A-B)</b>	<b>91.20</b>	<b>24.30</b>
<b>2.12 LONG-TERM LOANS AND ADVANCES - LOANS</b>		
<u><b>Secured</b></u>		
(Considered good unless otherwise stated)		
<b>Loans to borrowers</b>		
<b>Housing (Refer Note 2.12A)</b>		
Standard Assets	12,160.84	9,956.85
Sub-standard Assets	116.51	124.88
Doubtful Assets	74.57	47.79
Loss Assets	37.48	37.83
<b>(A)</b>	<b>12,389.40</b>	<b>10,167.35</b>
<b>Non housing</b>		
Standard Assets	7,738.70	609.63
Sub-standard Assets	63.10	50.89
Doubtful Assets	29.47	3.12
<b>(B)</b>	<b>7,831.27</b>	<b>663.64</b>
<u><b>Unsecured</b></u>		
(Considered good unless otherwise stated)		
Other Loans	<b>(C) 650.99</b>	1,284.05
<b>LONG-TERM LOANS AND ADVANCES - OTHERS</b>		
(Unsecured considered good )		
Capital advances	-	0.05
Security deposits	18.11	16.03
Other loans and advances		
Unamortised loan origination costs	89.96	58.25
Advance income tax (net of provision for taxation Rs. 403.00 million; Previous year Rs. 24.02 million )	41.74	18.29
<b>(D)</b>	<b>149.81</b>	<b>92.62</b>
<b>(A+B+C+D)</b>	<b>21,021.47</b>	<b>12,207.66</b>
<b>2.12A</b> The housing loan referred to in note 2.12 & 2.16 also includes an amount of Rs. 207.80 million (Previous year Rs. 184.65 million) being life insurance premium paid to the insurer on behalf of the borrower.		
<b>2.13 OTHER NON-CURRENT ASSETS</b>		
Bank deposits with more than 12 months maturity, held as margin money or security against borrowings, guarantees	60.04	31.20
Accrued interest on fixed deposits	0.50	2.69
	<b>60.54</b>	<b>33.89</b>





# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.14 TRADE RECEIVABLES</b>		
Debtors outstanding for a period exceeding six months	-	-
Other debts		
Unsecured, considered good	0.06	-
Unsecured, considered good from related parties (Refer Note No. 2.25 (ii))	52.06	85.78
	<u>52.12</u>	<u>85.78</u>
<b>2.15 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	0.08	0.04
Balances with banks		
in current accounts	445.19	37.02
	<u>445.27</u>	<u>37.06</u>
<b>Other Bank Balances</b>		
(Other bank deposits with maturity > 3 months and less than 12 months)		
Short term deposit with bank	10.60	19.44
	<u>455.87</u>	<u>56.50</u>





# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.16 SHORT-TERM LOANS AND ADVANCES - LOANS*</b>		
<u><b>Secured</b></u>		
<i>(Considered good unless otherwise stated)</i>		
<b>Loans to borrowers</b>		
<b>Housing (Refer Note 2.16A)</b>		
Standard Assets	4,068.29	3,641.13
Sub-standard Assets	27.86	5.21
Doubtful Assets	21.93	4.32
Loss Assets	9.67	1.84
(A)	4,127.75	3,652.50
<b>Non housing</b>		
Standard Assets	4,342.24	5,491.13
Sub-standard Assets	16.46	3.09
Doubtful Assets	10.12	0.25
(B)	4,368.82	5,494.47
<u><b>Unsecured</b></u>		
<i>(Considered good unless otherwise stated)</i>		
Other Loans	3,305.46	2,610.66
(C)		
<b>SHORT-TERM LOANS AND ADVANCES - OTHERS</b>		
<u><b>Unsecured</b></u>		
<i>(Considered good unless otherwise stated)</i>		
Prepaid expenses	2.35	1.91
Unamortised loan origination costs	43.04	30.09
Loans and advances to employees	2.01	2.51
Vendor advances	5.37	0.74
Input tax credit	4.66	-
Advance income tax (net of provision for taxation Rs. 200.61 million ; Previous year Rs. 72.69 million)	5.01	12.90
Deposits placed with/ for exchange/ depositories	30.00	-
Advances to others	77.59	80.42
(D)	170.03	128.57
(A+B+C+D)	11,972.06	11,886.20
<b>2.17 OTHER CURRENT ASSETS</b>		
Accrued interest on fixed deposits	4.35	0.04
Interest accrued but not due on loans	293.60	210.01
Interest accrued and due on loans	22.60	10.19
	320.55	220.24

\* Short term loans and advances includes current maturities of long term loans.

**2.16A** Refer note 2.12A being life insurance premium paid to the insurer.



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the Year ended 31 March 2017	For the Year ended 31 March 2016
<b>2.18 INTEREST INCOME</b>		
On loans	4,381.92	2,510.38
On fixed deposits	5.51	4.55
	<u>4,387.43</u>	<u>2,514.93</u>
<b>2.19 FEE INCOME</b>		
Advisory fees	52.02	80.55
Processing fees and other charges	213.27	132.54
	<u>265.29</u>	<u>213.09</u>
<b>2.20 OTHER INCOME</b>		
Other non operating income	16.36	5.37
	<u>16.36</u>	<u>5.37</u>



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the Year ended 31 March 2017	For the year ended 31 March 2016
<b>2.21 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages (Refer note 2.29)	350.96	261.82
Contribution to provident and other funds	11.50	7.50
Staff welfare expenses	7.23	5.02
	<b>369.69</b>	<b>274.34</b>
<b>2.22 FINANCE COSTS</b>		
Interest on debentures	618.76	299.23
Interest on term loan	1,169.50	751.35
Interest on cash credit facilities	63.75	26.53
Interest on loan from holding/ultimate holding Company	187.46	158.46
Discount on commercial paper	229.00	108.19
Financial and bank charges	16.63	15.84
Interest - others	-	9.04
	<b>2,285.10</b>	<b>1,368.64</b>



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the Year ended 31 March 2017	For the year ended 31 March 2016
<b>2.23 OTHER OPERATING EXPENSES</b>		
Advertisement and business promotion	2.68	4.42
Auditors' remuneration (Refer note 2.23A)	5.11	1.49
Bad- debts and advances written off	0.38	0.32
Commission and brokerage	0.66	1.05
Communication	5.04	6.03
Computer expenses	1.77	0.44
Computer software	4.82	5.94
Directors' sitting fees	0.40	0.34
Donation	2.50	0.30
Electricity charges (Refer note 2.29)	7.77	6.81
Legal and professional fees	47.57	10.30
Loan origination costs	603.09	179.65
Office expenses	16.82	8.86
Postage and courier	1.42	1.25
Printing and stationery	4.54	3.06
Provision for standard assets	64.79	66.88
Provision for non performing assets	84.23	59.95
Provision for credit loss on securitisation	9.36	-
Rates and taxes	0.49	1.83
Rating support fees	23.50	37.50
Rent (Refer note 2.29)	45.54	33.93
Repairs and maintenance	3.92	3.16
Service tax expenses	51.51	16.14
Stamp duty	1.22	6.36
Travelling and conveyance	13.83	10.27
Miscellaneous expenses	2.05	1.73
Loss on sale of fixed asset	0.29	0.04
	<b>1,005.30</b>	<b>468.06</b>

### 2.23A Auditors' remuneration:

For Statutory audit and limited review	2.10	1.00
For other services (Certifications and attestation services)	2.70	0.42
For reimbursement of expenses	0.31	0.07
	<b>5.11</b>	<b>1.49</b>



**Edelweiss Housing Finance Limited**  
**Notes to the financial statements (Continued)**  
For the year ended 31 March 2017

(Currency: Indian rupees in Million)

**2.24 Segment reporting**

The Company's main business is to provide loans for purchase or construction of residential houses. 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.

**2.25 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 :	
Holding Company	Edelweiss Commodities Services Limited
Ultimate Holding Company	Edelweiss Financial Services Limited
Fellow Subsidiaries (with whom transactions have taken place)	
	ECL Finance Limited
	Edelweiss Investment Adviser Limited
	Edelweiss Broking Limited
	Edelweiss Finance & Investments Limited
	Edelweiss Retail Finance Limited
	EdelGive Foundation
	Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited)
	Eternity Business Centre Limited
	Edelweiss Securities Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Insurance Broker Limited
	Auris Corporate Centre Limited
Key Management Personnel (with whom transactions have taken place)	Anil Kothuri

**ii. Transactions with related parties :**

Nature of Transaction	Related Party Name	For the year ended 31 March 2017	For the year ended 31 March 2016
<b><u>Capital Account Transaction during the year</u></b>			
Short term loans taken from (refer note 2.25A(2))	Edelweiss Financial Services Limited	1.00	6,000.33
	Edelweiss Commodities Services Limited	6,855.79	4,999.47
Short term loans repaid to (refer note 2.25A(2))	Edelweiss Financial Services Limited	648.49	5,421.27
	Edelweiss Commodities Services Limited	6,708.46	4,992.01
Assignment of loan book to	Edelweiss Retail Finance Limited	1,005.91	-
<b><u>Current Account Transaction during the year</u></b>			
Interest Expenses on loan from	Edelweiss Financial Services Limited	2.34	127.03
	Edelweiss Commodities Services Limited	185.12	31.43
Cost reimbursement paid to	Edelweiss Financial Services Limited	5.25	16.80
	Edelweiss Commodities Services Limited	7.49	11.17
	Auris Corporate Centre Limited	0.17	1.75
	Edelweiss Tokio Life Insurance Company Limited	-	0.08
	Eternity Business Centre Limited	12.36	-
Reimbursement of taxes paid to	Edelweiss Financial Services Limited	64.44	205.77
	Edelweiss Commodities Services Limited	22.17	-



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### ii. Transactions with related parties : (Continued)

Nature of Transaction	Related Party Name	For the year ended 31 March 2017	For the year ended 31 March 2016
<b><u>Current Account Transaction during the year</u></b>			
Transaction during the year	Edelweiss Securities Limited	-	0.51
	Edelweiss Insurance Broker Limited	-	0.01
Salary processing reimbursement	Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited)	140.14	-
Statutory payments reimbursement	Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited)	21.15	13.86
Rating support fees paid to	Edelweiss Financial Services Limited	23.50	37.50
Commission and brokerage paid to	Edelweiss Investment Adviser Limited	0.19	0.98
	Edelweiss Broking Limited	36.98	-
Legal & Professional Charges paid to	Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited)	0.68	0.30
	ECL Finance Limited	33.20	-
Remuneration to (refer note 2.25A(3) & 2.25A(4))	Anil Kothuri	48.09	32.48
Director sitting fees	Udayshankar Dutt	0.20	0.12
	P N Venkatachalam	0.20	0.22
Advisory fees earned from	ECL Finance Limited	-	23.04
	Edelweiss Retail Finance Limited	48.87	57.51
Directors nomination fee received from	Edelweiss Commodities Services Limited	0.20	0.10
Donation Expenses	EdelGive Foundation	2.50	0.30
<b><u>Balances with related party</u></b>			
Short term borrowings from	Edelweiss Financial Services Limited	-	647.49
	Edelweiss Commodities Services Limited	155.31	7.99
Trade Payables to	Edelweiss Financial Services Limited	0.03	42.97
	Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited)	0.77	0.31
	ECL Finance Limited	35.30	0.74
	Edelweiss Investment Advisors Limited	0.06	0.02
	Auris Corporate Centre Limited	-	1.83
Trade Receivables from	ECL Finance Limited	0.19	25.00
	Edelweiss Financial Services Limited	0.29	0.18
	Edelweiss Retail Finance Limited	51.46	60.10
	Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited)	-	0.14
	Edelweiss Broking Limited	0.11	0.01
	Edelweiss Securities Limited	-	0.36
	Edelweiss Insurance Brokers Limited	0.01	-
Accrued interest expense on Short term loans taken from	Edelweiss Financial Services Limited	-	3.71
	Edelweiss Commodities Services Limited	-	11.58
Nomination deposits payable to	Edelweiss Commodities Services Limited	0.20	0.20
Remuneration payable to	Anil Kothuri	28.50	22.00
<b><u>Non-fund Based</u></b>			
Corporate Guarantee taken	Edelweiss Financial Services Limited	34,479.00	11,555.10
	Edelweiss Commodities Services Limited	3,850.00	3,205.60

Note : 2.25A

- 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 and deferred bonus which are provided for group of employees on an overall basis.
- 4 Remunerations to KMPs shall be within the limit prescribed by the Companies Act.



Edelweiss Housing Finance Limited  
Notes to the financial statements (Continued)  
For the year ended 31 March 2017

(Currency: Indian rupees in Million)

**2.26 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 2017	For the year ended 31 March 2016
a) Shareholders earnings (as per statement of profit and loss)	679.36	382.14
b) Weighted average number of equity shares outstanding during the year/period (based on the date of issue of shares) (nos. in millions).	49.35	49.35
c) Number of dilutive potential equity shares	-	-
d) Basic earnings per share (Rs.) (a/b)	13.77	7.74
e) Diluted earnings per share (Rs.) {a/(b+c)}	13.77	7.74

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

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

Amount of Rs. 10.52 million (Previous year: Rs. 7.02 million) is recognised as expense and included in "Employee benefit expenses" (refer note 2.21) in the statement of profit and loss for the year ended 31 March 2017.

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

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss and the unfunded status and amounts recognised in the balance sheet for the gratuity benefit plan

**Statement of profit and loss**

Net employee benefit expenses recognised in the statement of profit & loss account

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	1.32	0.87
Interest cost	0.51	0.40
Actuarial (gain) or loss recognized in the year	(0.46)	0.53
Expense recognized in statement of profit/(loss)	1.37	1.80

**Balance Sheet**

Net Liability/(Asset) recognised in the Balance sheet

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of Defined Benefit Obligation	8.07	6.65
Fair value of plan assets at the end of the year	-	-
Difference	-	-
Unrecognized past service cost	-	-
Unrecognized transition liability	-	-
Liability recognized in Balance Sheet	8.07	6.65
Of which, Short term Provision	1.68	1.11





(Currency: Indian rupees in Million)

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

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of Defined Benefit Obligation at the beginning of the year	6.65	4.11
Interest cost	0.51	0.40
Past service cost	-	-
Current service cost	1.32	0.87
Transfer In / (Out)	0.19	0.99
Curtailment cost	-	-
Settlement cost	-	-
Benefits paid	(0.14)	(0.24)
Actuarial (gain)/loss on obligation	(0.46)	0.53
<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>8.07</b>	<b>6.66</b>

Balance Sheet Reconciliations

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening net liability(incl. transfer in/out)	6.84	5.09
Expense as above	1.37	1.80
Benefits paid	0.14	0.24
Closing net liability	8.07	6.65
<b>Closing provision at the end of the year</b>	<b>8.07</b>	<b>6.65</b>

Experience adjustment :

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Defined Benefit Obligation	8.07	6.65	4.11	1.46	1.19
Fair Value of Plan Assets	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>(8.07)</b>	<b>(6.65)</b>	<b>(4.11)</b>	<b>(1.46)</b>	<b>(1.19)</b>
On Plan Liabilities: (Gain)/ Loss	(0.70)	0.48	1.06	(0.13)	(0.44)
On Plan Assets: Gain/ (Loss)	NA	NA	NA	NA	NA

Principle actuarial assumptions at the balance sheet date:

Particulars	As at 31 March 2017	As at 31 March 2016
Discount rate current	6.6%	7.4%
Salary escalation current	7%	7%
Employees attrition rate	13% to 60%	13% to 60%
Mortality Rate	IALM 2006-08	IALM 2006-08
	(Ult.)	(Ult.)
<b>Expected average remaining working lives of employees</b>	<b>3 year</b>	<b>4 year</b>

2.28 Contingent liabilities and commitments

- a) Contingent liabilities: Corporate guarantee given by the Company of Rs. 143.20 millions (Previous year Rs. 53.32 millions)

The following dues have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs. mn)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.03	AY 2012-13	Commissioner of Income Tax (Appeals)

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

- b) Commitments:

- Capital Commitment Rs. 3.11 million (Previous year Rs. 1.92 million)
- Loans sanctioned pending disbursement: Rs. 3,430.44 million; (Previous year Rs. 2,946.15 million)





# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### 2.29 Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost (FY 2015-16), Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.21 and 2.23 include reimbursements paid and are net of reimbursements received based on the management's best estimate

### 2.30 Operating leases

The Company has taken various 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 2017 aggregated to Rs. 45.54 million (Previous Year Rs. 33.93 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 leases are as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Minimum lease payments for non cancellable lease</b>		
- not later than one year	0.37	4.74
- later than one year and not later than five years	-	-
- later than five years	-	-
	<b>0.37</b>	<b>4.74</b>

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

### 2.31 Premium on redemption of non - convertible debentures and expenses related to public issue of secured redeemable non - convertible debentures (NCDs)

In respect of NCDs issued by the Company, the premium on redemption for the year ended 31 March 2017, net of tax amounting to Rs. 70.21 million (Previous Year Rs. 105.72 million) and expenses related to public issue of secured redeemable NCDs net of tax amounting to Rs. 57.93 million (Previous Year Rs. Nil) has been adjusted to the Securities Premium Account as permitted under section 52 of the Companies Act, 2013.

### 2.32 Fraud Reporting

The Company has reported two cases of fraud amounting to Rs. 11.57 million; (Previous Year Rs. 33.69 million).

These frauds have been reported to NHB on a regular basis.

### 2.33 Foreign Exchange Transaction

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2017 (Previous year: Rs Nil).

### 2.34 Details of dues to micro enterprise and small enterprise :

Trade Payables include 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.



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### 2.35 Capital

Particulars	As at 31 March 2017	As at 31 March 2016
i) CRAR (%)	13.88%	16.92%
ii) CRAR - Tier I capital (%)	13.15%	16.21%
iii) CRAR - Tier II Capital (%)	0.73%	0.71%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of perpetual debt instruments	-	-

### 2.36 Investments

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Value of Investments</b>		
(i) Gross value of Investments		
(a) In India	NIL	NIL
(b) Outside India	NIL	NIL
(ii) Provisions for Depreciation		
(a) In India	NIL	NIL
(b) Outside India	NIL	NIL
(iii) Net value of Investments		
(a) In India	NIL	NIL
(b) Outside India	NIL	NIL
<b>Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	NIL	NIL
(ii) Add: Provisions made during the year	NIL	NIL
(iii) Less: Write-off / Written-back of excess provisions during the year	NIL	NIL
(iv) Closing balance	NIL	NIL

### 2.37 Derivatives

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.



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### 2.38 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at 31 March 2017	As at 31 March 2016
(i) The notional principal of swap agreements	NIL	NIL
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps \$	NIL	NIL
(v) The fair value of the swap book @	NIL	NIL

### 2.39 Exchange Traded Interest Rate (IR) Derivative

Particulars	As at 31 March 2017	As at 31 March 2016
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	NIL	NIL
(a)		
(b)		
(c)		
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2017 (instrument-wise)	NIL	NIL
(a)		
(b)		
(c)		
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(a)		
(b)		
(c)		
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(a)		
(b)		
(c)		

### 2.40 Disclosures on Risk Exposure in Derivatives

#### A. Qualitative Disclosure

The company has not entered into any derivative contracts during the year.

#### B. Quantitative Disclosure

Particulars	As at 31 March 2017	As at 31 March 2016
(i) Derivatives (Notional Principal Amount)	NIL	NIL
(ii) Marked to Market Positions [1]		
(a) Assets (+)	NIL	NIL
(b) Liability (-)	NIL	NIL
(iii) Credit Exposure [2]	NIL	NIL
(iv) Unhedged Exposures	NIL	NIL



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### 2.41 Securitisation

- (A) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by HFC vide circular no. NHB.HFC.CG-DIR.1/MD&CEO/2016

Particulars		As at 31 March 2017	As at 31 March 2016
1	No. of SPVs sponsored by the HFC for securitisation transactions	3	2
2	Total amount of securitised assets as per books of the SPVs sponsored by the HFC	741.28	644.77
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	37.96	33.85
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) First Loss	-	-
	b) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) First Loss	37.96	33.85
	b) Others	-	-
4	Amount of exposures to securitisation transactions other than MRR	276.20	96.63
	(i) Off-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	143.17	53.32
	ii.) Others	-	-
	b) Exposure to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-
	(ii) On-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations		
	i.) First Loss	133.03	43.31
	ii.) Others	-	-
	b) Exposure to third party securitisations		
	i.) First Loss	-	-
	ii.) Others	-	-

\* Only the SPVs relating to outstanding securitisation transactions may be reported here

- (B) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	As at 31 March 2017	As at 31 March 2016
i) No. of accounts	Nil	Nil
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

- (C) Details of Assignment transactions undertaken by HFCs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
i) No. of accounts	113	181
ii) Aggregate value (net of provisions) of accounts sold	1,005.91	586.39
iii) Aggregate consideration	1,005.91	586.39
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### (D) 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 2017	As at 31 March 2016
1	(a) No. of accounts purchased during the year	Nil	Nil
	(b) Aggregate outstanding	-	-
2	(a) Of these, number of accounts restructured during the year	Nil	Nil
	(b) Aggregate outstanding	-	-

#### B. Details of Non-performing Financial Assets sold:

	Particulars	As at 31 March 2017	As at 31 March 2016
1	No. of accounts sold	Nil	Nil
2	Aggregate outstanding	-	-
3	Aggregate consideration received	-	-

2.42

### Asset liability management

Maturity pattern of certain items of assets and liabilities

For the financial year 2016-17

Maturity Bucket	Liabilities***		Assets***	
	Term Money Borrowing*	Market Borrowing **	Advances	Investments
1 to 14 days	-	834.14	675.12	-
Over 14 days to 1 Month	336.94	65.00	413.99	-
Over 1 to 2 Months	139.93	630.00	850.86	-
Over 2 to 3 Months	668.14	570.00	1,837.63	-
Over 3 to 6 Months	1,018.35	-	2,546.46	-
Over 6 Months to 1 Year	2,637.27	155.31	5,477.97	-
Over 1 Year to 3 Years	10,982.45	-	5,936.85	-
Over 3 to 5 Years	3,593.01	-	2,753.49	-
Over 5 to 7 Years	820.61	-	2,328.98	-
Over 7 to 10 Years	4,635.17	-	4,066.16	-
Over 10 Years	1.90	-	5,786.17	-
Total	24,833.79	2,254.45	32,673.69	-

\*Term Money Borrowing includes maturity pattern of Term loans from banks, Term loans from NHB, Secured Non-convertible Debentures and Unsecured Non-convertible Subordinated Debentures.

\*\* Unamortised discount on commercial papers not considered.

\*\*\* The Company does not have any foreign currency assets and liabilities as on 31 March 2017, hence relevant disclosure is not made.

For the financial year 2015-16

Maturity Bucket	Liabilities		Assets	
	Term Money Borrowing*	Market Borrowing	Advances	Investments
1 to 14 days	-	-	271.73	-
Over 14 days to 1 Month	297.78	-	345.12	-
Over 1 to 2 Months	150.47	-	1,377.21	-
Over 2 to 3 Months	358.59	4,250.00	1,843.38	-
Over 3 to 6 Months	623.97	-	2,723.29	-
Over 6 Months to 1 Year	1,989.61	2,094.00	5,196.90	-
Over 1 Year to 3 Years	6,563.05	-	4,639.39	-
Over 3 to 5 Years	2,522.12	-	1,228.25	-
Over 5 to 7 Years	131.62	-	1,130.48	-
Over 7 to 10 Years	571.93	-	1,959.27	-
Over 10 Years	26.63	-	3,157.65	-
Total	13,235.77	6,344.00	23,872.67	-

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the National Housing Bank.





# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### 2.43 Exposure to real estate sector

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

Category	As at 31 March 2017	As at 31 March 2016
<b>a) Direct exposure</b>		
<b>(i) Residential mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; [Individual housing loans up to Rs. 15 lakh Rs. 2507.53 million (Previous Year Rs. 1,578.80 million)]	16,828.51	12,686.31
<b>(ii) Commercial real estate -</b>		
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).	11,888.76	7,291.65
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
a) Residential	-	-
b) Commercial real estate	-	-
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

#### b) Exposure to capital market

Particulars	As at 31 March 2017	As at 31 March 2016
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	Nil	Nil
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	Nil	Nil
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	Nil	Nil
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	Nil	Nil
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
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	Nil	Nil
vii) bridge loans to companies against expected equity flows / issues	Nil	Nil
viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
<b>Total Exposure to Capital Market</b>	<b>Nil</b>	<b>Nil</b>

### 2.44 Details of financing of parent Company products - None (Previous year - none)

### 2.45 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the HFC

During the year ended 31 March 2017 and 31 March 2016, the Company's credit exposure (whether in terms of sanctioned amount or entire amount outstanding, whichever is higher) to single borrowers and group borrowers were within the limits prescribed by the HFC.

### 2.46 Unsecured Advances

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



# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### 2.47 Details of ratings assigned by credit rating agencies

Instrument Category	ICRA	CARE	CARE	Brickworks	CRISIL
i) Long Term Instruments :					
Rating	[ICRA] AA	CARE AA	CARE AA (SO)	BWR AA+	CRISIL AA/Stable
Amount	38,000.00	21,500.00	2,500.00	7,500.00	23,350.00
ii) Short Term Instruments :					
Rating	[ICRA] A1+	CARE A1+	NA	NA	CRISIL A1+
Amount	10,000.00	5,000.00	NA	NA	7,500.00

### 2.48 Remuneration of Directors

The Company has not entered into any transactions with non-executive directors during the year (Previous Year Rs.Nil).

### 2.49 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.

### 2.50 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 2017	For the year ended 31 March 2016
i) Provisions for depreciation on investment	Nil	Nil
ii) Provision towards NPA	84.23	59.95
iii) Provision made towards income tax	378.60	248.42
iv) Provision for standard assets	64.79	66.88
v) Other provision and contingencies		
a) Provision for credit loss on securitisation	9.36	Nil

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
<b>Standard Assets</b>				
a) Total Outstanding Amount #	16,382.51	13,742.97	16,200.21	10,070.68
b) Provisions made	91.97	67.61	115.44	75.01
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	144.37	130.09	79.56	53.97
b) Provisions made	39.21	19.51	38.49	8.10
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	51.05	47.53	35.06	1.38
b) Provisions made	12.76	11.88	8.76	0.34
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	45.45	4.58	4.53	1.99
b) Provisions made	18.18	1.83	1.81	0.80
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>Loss Assets</b>				
a) Total Outstanding Amount	47.15	39.67	-	-
b) Provisions made	47.15	39.67	-	-
<b>TOTAL</b>				
a) Total Outstanding Amount	16,670.53	13,964.84	16,319.36	10,128.02
b) Provisions made	209.27	140.52	164.51	84.24

Note:

#	Standard Assets	Housing		Non-Housing	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Principal outstanding	16,229.13	13,597.98	16,037.39	9,995.47
	Interest accrued	153.38	144.99	162.82	75.21

2. The Category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

### 2.51 Draw Down from Reserves

No Draw Down from the Statutory Reserves during FY 2016-17 (Previous Year Rs. Nil)





# Edelweiss Housing Finance Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2017

(Currency: Indian rupees in Million)

### 2.52 Concentration of Public Deposits, Advances, Exposures and NPAs

#### Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Particular	As at 31 March 2017	As at 31 March 2016
Total Deposit of twenty largest depositors	NA	NA
% of deposits to twenty largest depositors to total Deposits of the HFC	NA	NA

#### Concentration of Loans & Advances

Particular	As at 31 March 2017	As at 31 March 2016
Total Loans & Advances to twenty largest borrowers	4,713.79	3,779.77
% of Loans & Advances to twenty largest borrowers to total advances of the HFC	14.43%	15.83%

#### Concentration of all exposure (including off-balance sheet exposure)

Particular	As at 31 March 2017	As at 31 March 2016
Total exposures to twenty largest borrowers / customers	6,709.74	5,390.08
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	18.51%	20.06%

#### Concentration of NPAs

Particular	As at 31 March 2017	As at 31 March 2016
Total exposures to top ten NPAs	142.86	132.91

#### Sector-wise NPAs

SL No.	Sector	% of NPAs to total advances in that sector	
		As at 31 March 2017	As at 31 March 2016
<b>A. Housing Loans:</b>			
1 Individual		2.93%	2.25%
2 Builders / Project Loans		0.00%	0.00%
3 Corporates		14.54%	9.45%
4 Other (specify)		0.00%	0.00%
<b>B. Non-Housing Loans:</b>			
1 Individual		0.63%	0.33%
2 Builders / Project Loans		0.00%	0.00%
3 Corporates		2.35%	4.04%
4 Other (specify)		0.00%	0.00%

### 2.53

#### Movements of NPAs

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

Particular	As at 31 March 2017	As at 31 March 2016
i) Net NPAs to net advances (%)	0.74%	0.83%
ii) Movement of NPAs (Gross)		
a) Opening balance	279.22	112.68
b) Additions during the year	172.24	178.05
c) Reductions during the year	(44.29)	(11.51)
d) Closing balance	407.17	279.22
iii) Movement of net NPA		
a) Opening balance	197.10	90.48
b) Additions during the year	80.56	116.42
c) Reductions during the year	(36.86)	(9.80)
d) Closing balance	240.80	197.10
iv) Movement of provisions for NPAs (excluding provision on standard assets)		
a) Opening balance	82.12	22.20
b) Provisions made during the year	91.68	61.63
c) Write-off/write-back of excess provisions	(7.43)	(1.71)
d) Closing balance	166.37	82.12



Edelweiss Housing Finance Limited  
Notes to the financial statements (Continued)  
For the year ended 31 March 2017

(Currency: Indian rupees in Million)

**2.54 Overseas Assets**

The company do not hold any Overseas Assets; (Previous Year Nil).

**2.55 Off-balance Sheet SPVs sponsored - None (Previous Year: None)**

**2.56 Disclosure of complaints**

**Customer complaints**

Particular	As at 31 March 2017	As at 31 March 2016
(a) No. of complaints pending at the beginning of the year	2	3
(b) No. of complaints received during the year	329	29
(c) No. of complaints redressed during the year	331	30
(d) No. of complaints pending at the end of the year	-	2

**2.57 Company information**

The country of operation for the Company is India and it do not have any joint venture partners with regard to Joint ventures and overseas subsidiaries.

**2.58 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. 7.95 million; (Previous year Rs. 3.30 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
	(0.30)	-	(0.30)

1. The Company is a subsidiary of Edelweiss Commodities Services 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 2008. As an amount of 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, 2017, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2017.

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

**2.59 Registration obtained from other financial sector regulators - Nil**

**2.60 Disclosure of penalties imposed by HFC and other regulators - Nil**

**2.61 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**

Particular	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.97	0.02	2.99
(+) Permitted receipts	-	4.55	4.55
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	2.97	4.57	7.54
Closing cash in hand as on 30.12.2016	-	0.00	0.00

\* 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.

As per our report attached on even date

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231W/W-100024

Ashwin Suvarna

Partner

Membership No: 109503

Mumbai

16 May 2017

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

Vineet Mahajan

Director

DIN : 07253615

Gaurang Tailor

Chief Financial Officer

Mumbai

16 May 2017

Krishnaswamy  
Siddharth

Director

DIN : 02463804

Ankit Kumar Jain

Company Secretary

Mumbai

16 May 2017