

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Finance & Investments Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Edelweiss Finance & Investments Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the



Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

Other Matters

1. The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 02, 2018 and May 16, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
2. The transition date opening balance sheet of the Company as at April 01, 2017 include the financial information on account of demerger impact of transfer of assets and liabilities to Edelweiss Finvest Private Limited and Edel Land Limited with effective date August 01, 2017 [refer Note 40 to the Ind AS financial statements]. The said financial information included in these Ind AS financial statements are based on financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the other auditors, and have been restated to comply with Ind AS Adjustments made to the financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, no managerial remuneration was paid/payable for the year ended March 31, 2019 by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32.1 to the Ind AS financial statements;



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- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 42.05 to the Ind AS financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Shrawan Jalan

per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



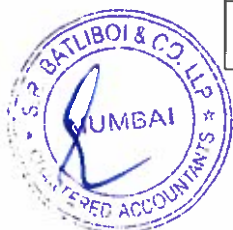
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Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company. Refer Note 12 to the Ind AS financial statements.
- (ii) The verification of securities held for trading have been conducted on the basis of statement of holding received from the Depository Participants and clearing corporation holding statement at reasonable intervals by the management during the year.
- (iii) According to the information and explanations given to us and audit procedures performed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance, service tax, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.
- (b) According to the information and explanations given to us and based upon the audit procedures performed, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, service tax, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.
- (c) According to the information and explanations given to us and based upon the audit procedures performed, the dues of income-tax, service tax and cess on account of any dispute, are given below. The provisions relating to employees' state insurance, duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

Name of the Statue	Nature of dues	Amount (Rs in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.14	AY 2009-10	Commissioner of Income Tax (A)
Income Tax Act, 1961	Income Tax	90.58	AY 2013-14	Commissioner of Income Tax (A)
Income Tax Act, 1961	Income Tax	63.15	AY 2016-17	Commissioner of Income Tax (A)
Finance Act, 1994	Service Tax	0.69	2011 to 2016	Commissioner Appeals-II, Mumbai



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Finance Act, 1994	Service Tax	2.30	2011 to 2015	Commissioner Appeals-II, Mumbai
Finance Act, 1994	Service Tax	0.08	2012 to 2014	Commissioner Appeals-II, Mumbai

- (viii) In our opinion and according to the information and explanations given by the management and based upon the audit procedures performed, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks. The Company does not have any dues to government or debenture holders.
- (ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- ~~(xi) According to the information and explanations given to us and records of the Company examined by us, no managerial remuneration has been paid / payable as per the provisions of section 197 read with Schedule V to the Companies Act, 2013. Accordingly, the provision of clause 3(xi) is not applicable to the Company.~~
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet and based upon the audit procedures performed, the Company has not made any preferential allotment or private placement of shares during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management and audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us and audit procedures performed, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



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

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

To the Members of Edelweiss Finance & Investments Limited

We have audited the internal financial controls over financial reporting of Edelweiss Finance & Investments Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

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

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



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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



Edelweiss Finance & Investments Limited

Balance Sheet as at March 31, 2019

(Currency : Indian rupees in million)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Assets				
Financial assets				
(a) Cash and cash equivalents	3	1,050.24	152.96	743.24
(b) Bank balances other than cash and cash equivalents	4	53.33	50.02	50.00
(c) Derivative financial instruments	5	1.01	26.44	-
(d) Securities held for trading	6	13,804.53	14,824.88	15,014.37
(e) Receivables				
(i) Trade receivables	7	6,283.79	4,563.14	222.97
(ii) Other receivables	7	0.84	95.30	105.23
(f) Investments	8	-	-	0.44
(g) Other financial assets	9	4,353.72	164.81	57.10
		25,547.46	19,877.55	16,193.35
Non-financial assets				
(a) Current tax assets (net)	10	260.47	437.77	181.37
(b) Deferred tax assets (net)	11	74.03	81.53	40.09
(c) Property, Plant and Equipment	12	6.56	9.78	10.45
(d) Other Intangible assets	12	9.27	4.71	1.30
(e) Other non- financial assets	13	31.03	16.31	2.58
		381.36	550.10	235.79
Total Assets		25,928.82	20,427.65	16,429.14
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	5	260.35	20.72	15.02
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	49.40	54.64	39.20
(c) Borrowings (other than debt securities)	15	23,115.17	17,569.70	14,075.09
(d) Subordinated Liabilities	16	516.59	516.59	516.59
(e) Other financial liabilities	17	32.56	48.80	58.79
		23,974.07	18,210.45	14,704.69
Non-financial liabilities				
(a) Current tax liabilities (net)	18	80.24	194.00	195.07
(b) Provisions	19	10.46	115.63	152.32
(c) Other non-financial liabilities	20	16.34	18.55	26.19
		107.04	328.18	373.58
Equity				
(a) Equity share capital	21	34.35	34.35	26.55
(b) Other equity	22	1,813.36	1,854.67	1,324.32
		1,847.71	1,889.02	1,350.87
Total Liabilities And Equity		25,928.82	20,427.65	16,429.14

The accompanying notes are an integral part of the financial statements 1 to 43

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

Shrawan Jalan

per Shrawan Jalan

Partner

Membership No: 102102



For and on behalf of the Board of Directors

Venkatchalam Ramaswamy

Venkatchalam Ramaswamy

Executive Director

DIN: 00008509

Shivakam Iyer

Shivakam Iyer

Chief Financial Officer

S Ranganathan

S Ranganathan

Executive Director

DIN: 00125493

Mumbai

May 13, 2019

Mumbai

May 13, 2019

Edelweiss Finance & Investments Limited

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

(Currency : Indian rupees in million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest income	23	1,410.66	1,590.69
Dividend income	24	1.44	0.72
Other income	25	12.49	-
Total Revenue		1,424.59	1,591.41
Expenses			
Finance costs	26	1,204.46	1,353.53
Net loss on fair value changes (including Treasury income)	27	58.76	87.87
Employee benefits expense	28	35.77	132.29
Depreciation, amortisation and impairment	12	6.04	4.80
Other expenses	29	73.88	79.12
Total expenses		1,378.91	1,657.61
Profit/(Loss) before tax		45.68	(66.20)
Tax expenses			
(1) Current tax	30	86.11	(158.69)
(2) Deferred tax (net)	30	(36.79)	(34.44)
(Loss)/Profit for the year		(3.64)	126.93
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
a) Remeasurement gain on defined benefit plans (OCI)		0.16	0.48
b) Income Tax - OCI - that will not be reclassified		(0.06)	(0.17)
Total		0.10	0.31
Total Comprehensive Income		(3.54)	127.24
Earnings per equity share (Face value of Rs. 10 each) (in Rs.):			
(1) Basic	31	(1.06)	41.52
(2) Diluted	31	(1.06)	41.52

The accompanying notes are an integral part of these financial statements

1 to 43

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

Shrawan Jalan

per Shrawan Jalan
Partner
Membership No: 102102



AR Venkatchalam

Venkatchalam Ramaswamy
Executive Director
DIN: 00008509

S Ranganathan

S Ranganathan
Executive Director
DIN: 00125493

Shivaraman Iyer

Shivaraman Iyer
Chief Financial Officer

Mumbai
May 13, 2019



Mumbai
May 13, 2019

Edelweiss Finance & Investments Limited

Statement of cash flows for the year ended March 31, 2019

(Currency : Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit / (Loss) before tax	45.68	(66.20)
<i>Adjustments for</i>		
Depreciation and amortisation expense	6.04	4.80
Profit on sale of investments	-	(25.60)
Fair value loss / (gain) of financial instruments	176.21	37.08
Provision for compensated absences	0.35	0.43
Write back of deferred bonus	(105.52)	(46.13)
Interest expenses	1,157.65	1,320.11
Expense on employee stock option scheme	5.47	4.23
Profit on sale of of Property, Plant and Equipment	(0.21)	-
Operating cash flow before working capital changes	1,285.67	1,228.72
<i>Add / (Less): Adjustments for working capital changes</i>		
Trade and Other Receivables	(1,626.19)	(4,338.24)
Securities held for trading	844.14	152.41
Other Financial Assets	(4,166.79)	(134.17)
Other Non Financial Assets	(14.72)	(13.73)
Trade Payables	(5.24)	15.44
Non Financial Liabilities and Provisions	(7.52)	1.85
Other Financial Liabilities	223.39	(4.29)
Cash used in operations	(3,467.26)	(3,084.01)
Income taxes paid	(16.11)	(98.79)
Net cash used in operating activities - A	(3,483.37)	(3,182.80)
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(8.00)	(8.79)
Sale of Property, Plant and Equipment	0.83	1.25
Sale of Investments	-	26.04
Net cash (used in)/generated from investing activities - B	(7.17)	18.50
C Cash flow from financing activities		
Proceeds from issuance of Share capital (including Securities Premium)	-	399.52
Increase in Borrowings other than Debt Securities (refer note 2 below & note 34)	5,566.33	3,467.71
Interest paid	(1,178.51)	(1,293.21)
Net cash generated from financing activities - C	4,387.82	2,574.02
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	897.28	(590.28)
Cash and cash equivalent as at the beginning of the year	152.96	743.24
Cash and cash equivalent as at the end of the year	1,050.24	152.96
Operational cash flows from interest and dividends		
Interest paid	-	-
Interest received	1,440.08	1,670.07
Dividend received	1.44	0.72



Edelweiss Finance & Investments Limited

Statement of cash flows for the year ended March 31, 2019 (continued)

(Currency : Indian rupees in million)

Notes:

- 1 Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 (Statement of Cash Flows) prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
- 2 Net figures have been reported on account of volume of transactions.
- 3 Refer note 34 for change in liabilities arising from financing activities

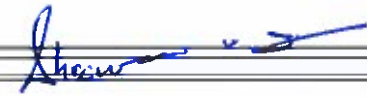
As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors



per Shrawan Jalan
Partner
Membership No: 102102



Venkatchalam Ramaswamy
Executive Director
DIN: 00008509



S Ranganathan
Executive Director
DIN: 00125493



Shivarajan Iyer
Chief Financial Officer

Mumbai
May 13, 2019



Mumbai
May 13, 2019

Edelweiss Finance & Investments Limited

(Currency : Indian rupees in million)

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

A. Equity Share Capital

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019	Outstanding as on April 1, 2017	Issued during the year	Outstanding as on March 31, 2018
Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up)	34.35	-	34.35	26.55	7.80	34.35

B. Other Equity

Particulars	Capital redemption reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	Deemed Capital Contribution - Equity	Total Attributable to equity holders
Balance as at April 1, 2017	9.71	320.09	878.58	90.26	14.73	10.95	1,324.32
Profit for the year	-	-	-	-	126.93	-	126.93
Other Comprehensive Income	-	-	-	-	0.31	-	0.31
	9.71	320.09	878.58	90.26	141.97	10.95	1,451.56
Securities premium on Shares Issued during the year	-	391.72	-	-	-	-	391.72
Income Tax Impact on ESOPs	-	-	-	-	7.16	-	7.16
Transfer to Statutory Reserve	-	-	42.46	-	(42.46)	-	-
ESOPs charged during the year	-	-	-	-	-	4.23	4.23
Balance as at March 31, 2018	9.71	711.81	921.04	90.26	106.67	15.18	1,854.67
Loss for the year	-	-	-	-	(3.64)	-	(3.64)
Other Comprehensive Income	-	-	-	-	0.10	-	0.10
	9.71	711.81	921.04	90.26	103.13	15.18	1,851.13
Income Tax Impact on ESOPs	-	-	-	-	(37.77)	-	(37.77)
Balance as at March 31, 2019	9.71	711.81	921.04	90.26	65.36	15.18	1,813.36

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No: 102102



AP Venkatchalam

Venkatchalam Ramaswamy
Executive Director
DIN: 00008509

S Ranganathan
Executive Director
DIN: 00125493

Shivaraman Iyer
Chief Financial Officer

Mumbai
May 13, 2019

Mumbai
May 13, 2019



Edelweiss Finance & Investments Limited

Notes to the financial statements

1. Corporate information:

Edelweiss Finance & Investments Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Financial Services Limited. The Company was incorporated on October 27, 1994, and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company is primarily engaged in the business of trading and investing in government securities and fixed income securities.

2. Significant accounting policies

2.1 Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 40 for information on how the Company has adopted Ind AS.

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

2.2 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 35-Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

2.3 Recognition of interest income and dividend income

2.3.1 Effective interest rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

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

2.3.2 Interest income:

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

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

2.3.3 Dividend income:

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

2.4 Financial instruments:

2.4.1 Date of recognition:

Financial Assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

2.4.2 Initial measurement of financial instruments:

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

2.4.3 Day 1 profit and loss:

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain / loss on fair value changes. In those cases where fair value is based on models for which some of the inputs are not



observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

2.4.4 Classification & measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

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

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

2.5 Financial assets and liabilities:

2.5.1 Amortized cost and effective interest method

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

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

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



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

2.5.2 Financial assets held for trading:

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

2.5.3 Investment in equity instruments:

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

2.5.4 Financial liabilities:

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

2.5.5 Derivative financial instruments:

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

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

2.5.6 Debt securities and other borrowed funds:

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

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

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

2.5.8 Financial liabilities and equity instruments

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

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

2.6 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

2.7 Derecognition of financial Instruments:

2.7.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

2.7.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit and loss.



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

2.8 Impairment of financial assets:

Simplified approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss (ECL) at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General approach

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

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

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categorises its financial assets as follows:

Stage 1 assets:

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

Stage 2 assets:

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

Stage 3 assets:

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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

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

2.9 Collateral valuation:

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

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

2.10 Write-offs:

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

2.11 Determination of fair value:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by



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

selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments:

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

Level 2 financial instruments:

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

Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

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

2.12 Operating leases:

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

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

2.13 Earnings per share:

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

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



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

weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.14 Retirement and other employee benefit:

2.14.1 Provident fund :

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

2.14.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

~~Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.~~

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

2.14.3 Compensated absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

2.14.4 Deferred bonus:

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

2.14.5 Share-based payment arrangements:

~~Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent company are measured by reference to the fair value of the equity instruments at the grant date.~~

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.



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

2.15 Property, plant and equipment:

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

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

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

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

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

2.16 Intangible assets:

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

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



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

2.17 Impairment of non-financial assets:

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

2.18 Provisions and other contingent liabilities:

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

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

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

2.19 Income tax expenses:

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

2.19.1 Current tax:

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

2.19.2 Deferred tax:

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



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

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

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

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

Minimum Alternative Tax (MAT) credit

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

2.19.3 Current and deferred tax for the year:

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

2.20 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

2.21 Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies:

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

2.21.1 Business model assessment :

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

2.21.2 Significant increase in credit risk:

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty:

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

2.21.3 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

2.21.4 Effective Interest Rate (EIR) Method:

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

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

2.22 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are based on a number of factors, changes in which can result in different levels of allowances.



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

2.23 Impairment of Non-Financial assets:

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

2.24 Provisions and contingent liabilities:

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

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

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

2.25 Provisions for Income Taxes:

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

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



2.26 Standards issued but not yet effective :

Ind AS 116 Leases:

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

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

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

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

Annual Improvements to Ind AS (2018):

Ind AS 12 Income taxes:

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

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

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

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (continued)

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

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

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

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

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

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

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
3. Cash and cash equivalents			
Cash in hand	-	0.01	-
Balances with banks			
- in current accounts	1,050.24	152.95	743.24
	1,050.24	152.96	743.24

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
4. Bank balances other than cash and cash equivalents			
Short term bank deposits with banks *	50.02	50.02	50.00
(other bank deposits with maturity less than 12 months)			
Earmarked balance with bank (unpaid dividends)	3.31	-	-
	53.33	50.02	50.00

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

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposit pledged against overdraft facility			
RBL Bank Limited	50.00	50.00	50.00
	50.00	50.00	50.00

* Fixed deposit with bank earns interest at fixed rate of Rs. 0.02 (March 31, 2018: Rs. 0.02; March 31, 2017: Rs. Nil)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

5. Derivative financial instruments

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

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

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

Particulars	March 31, 2018							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest Rate Swaps	Rs. Million	INR	6,500	26.44	Rs. Million	INR	8,000	20.72
Interest Rate Future	G-Sec Units		5,444,000	3.29			-	-
Less: amounts offset				(3.29)				-
(Refer Note 5.A)								
Total Derivative Financial Instruments				26.44				20.72

Particulars	April 01, 2017							
	Unit	Currency	Notional	Fair value Asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest Rate Swaps	Rs. Million	INR	-	-	Rs. Million	INR	550	15.02
(Refer Note 5.A)								
Total Derivative Financial Instruments				-				15.02

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

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity-index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 39.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments.



5.A Offsetting

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

Financial Assets subject to offsetting, netting arrangements

March 31, 2019	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Financial assets	Collaterals paid	Assets after consideration of netting potential		
Trade receivables	9,096.11	(2,812.32)	6,283.79	-	-	6,283.79	6,283.79	6,283.79
Derivative Assets	1.19	(0.18)	1.01	(1.01)	-	-	1.01	-
Margin placed with broker*	303.47	-	303.47	-	(208.25)	95.22	303.47	95.22

Financial Liabilities subject to offsetting, netting arrangements

March 31, 2019	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential		
Trade payables	2,812.32	(2,812.32)	-	-	-	-	-	-
Derivative Liabilities	270.04	(9.69)	260.35	(1.01)	(208.25)	51.09	260.35	51.09

Financial Assets subject to offsetting, netting arrangements

March 31, 2018	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Financial assets	Collaterals paid	Assets after consideration of netting potential		
Trade receivables	9,615.36	(5,052.22)	4,563.14	-	-	4,563.14	4,563.14	4,563.14
Derivative Assets	29.73	(3.29)	26.44	(9.89)	(4.45)	12.10	26.44	12.10
Margin placed with broker*	41.51	-	41.51	-	(15.28)	26.23	41.51	26.23



5.A Offsetting (continued)

Financial Liabilities subject to offsetting, netting arrangements

March 31, 2018	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential	Recognised in the balance sheet	After consideration of netting potential
Trade payables	5,052.22	(5,052.22)	-	-	-	-	-	-
Derivative Liabilities	20.72	-	20.72	-	(10.83)	9.89	20.72	9.89

Financial Assets subject to offsetting, netting arrangements

April 1, 2017	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised on the balance sheet	Financial assets	Collaterals paid	Assets after consideration of netting potential	Recognised in the balance sheet	After consideration of netting potential
Trade receivables	429.93	(206.96)	222.97	-	-	222.97	222.97	222.97
Derivative Assets	-	-	-	-	-	-	-	-
Margin placed with broker*	16.18	-	16.18	-	(15.02)	1.16	16.18	1.16

Financial Liabilities subject to offsetting, netting arrangements

April 1, 2017	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial liabilities	Collaterals received	Liabilities after consideration of netting potential	Recognised in the balance sheet	After consideration of netting potential
Trade payables	206.96	(206.96)	-	-	-	-	-	-
Derivative Liabilities	15.02	-	15.02	-	(15.02)	-	15.02	-

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6 Securities held for trading

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At Fair Value Through Profit and Loss			
(i) Government Debt Securities	13,679.23	14,406.88	14,564.10
(ii) Debt securities	125.30	389.24	450.27
(iii) Preference Shares	-	28.76	-
Total	13,804.53	14,824.88	15,014.37
(i) Investments outside India	-	-	-
(ii) Investments in India	13,804.53	14,824.88	15,014.37
Total	13,804.53	14,824.88	15,014.37



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6 Securities held for trading

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount
<i>At fair value through profit and loss account</i>									
Government Debt Securities									
8.12% Government Stock 10.12.2020 Bonds	100	16,500,000	1,733.39	100	4,500,000	473.64	100	500,000	53.58
7.28% Government Stock 03.06.2019 Bonds	100	250,000	25.63	100	250,000	25.79	100	250,000	26.00
8.27% Government Stock 09.06.2020 Bonds	100	1,000,000	104.59	100	18,100,000	1,907.85	100	13,000,000	1,395.94
6.35% Government Stock 02.01.2020 Bonds	100	500,000	50.78	100	5,000,000	504.50	-	-	-
6.79% Government Stock 15.05.2021 Bonds	100	500,000	49.31	100	4,500,000	439.20	-	-	-
7.80% Government Stock 03.05.2020 Bonds	100	500,000	52.28	100	5,500,000	577.58	-	-	-
7.17% Government Stock 08.01.2028 Bonds	100	30,000,000	2,988.99	100	1,500,000	150.20	-	-	-
8.79% Government Stock 08.11.2021 Bonds	100	500,000	54.26	100	3,000,000	325.42	-	-	-
7.16% Government Stock 20.05.2023 Bonds	100	1,000,000	103.52	-	-	-	-	-	-
6.68% Government Stock 17.09.2031 Bonds	100	500,000	46.46	-	-	-	-	-	-
6.65% Government Stock 09.04.2020 Bonds	100	6,500,000	672.02	-	-	-	-	-	-
8.71% Tamilnadu Government Stock 08.02.2022 Bonds	100	2,500,000	264.83	-	-	-	-	-	-
7.80% Government Stock 11.04.2021 Bonds	100	3,500,000	371.05	-	-	-	100	34,000,000	3,653.55
7.37% Government Stock 16.04.2023 Bonds	100	5,000,000	525.94	-	-	-	-	-	-
8.75% Kerala State Development Loan 22.02.2022 Bonds	100	5,000,000	528.74	-	-	-	-	-	-
8.75% Tamilnadu State Development Loans Government Stock 22.02.2022 Bonds	100	5,000,000	528.74	-	-	-	-	-	-
7.94% Government Stock 24.05.2021 Bonds	100	4,000,000	422.08	-	-	-	-	-	-
8.24% Government Stock 15.02.2027 Bonds	100	1,000,000	105.47	-	-	-	-	-	-
8.64% Andhra Pradesh State Development Loan Government Stock 06.03.2023 Bonds	100	2,000,000	211.77	-	-	-	-	-	-
8.92% Punjab Government Stock 08.08.2022 Bonds	100	2,500,000	267.71	-	-	-	-	-	-
8.76% Maharashtra State Development Loans Government Stock 22.02.2022 Bonds	100	2,500,000	264.44	-	-	-	-	-	-
8.66% Tamilnadu Government Stock 25.01.2022 Bonds	100	5,000,000	523.72	-	-	-	-	-	-
8.18% Tamilnadu State Development Loan Government Stock 19.12.2028 Bonds	100	800	0.08	-	-	-	-	-	-
8.69% Gujarat State Development Loan Government Stock 08.02.2022 Bonds	100	2,500,000	264.70	-	-	-	-	-	-
7.26% Government Stock 14.01.2029 Bonds	100	14,000,000	1,413.20	-	-	-	-	-	-
7.00% Government Stock 21.01.2021 Bonds	100	3,000,000	306.48	-	-	-	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2020 Bonds	100	42,000	4.27	-	-	-	-	-	-
7.32% Government Stock 28.01.2024 Bonds	100	995,000	102.32	-	-	-	-	-	-
8.38% Maharashtra Government Stock 25.03.2020 Bonds	100	500,000	50.89	-	-	-	-	-	-
8.25% Uttar Pradesh Government Stock Special 29.03.2020 Bonds	100	5,000,000	506.49	-	-	-	-	-	-
8.92% Kerala State Development Loan 08.08.2022 Bonds	100	500,000	53.54	-	-	-	-	-	-
8.72% Andhra Pradesh State Development Loan Government Stock 11.01.2022 Bonds	100	2,500,000	266.32	-	-	-	-	-	-
8.59% Andhra Pradesh State Development Loan Government Stock 23.01.2023 Bonds	100	500,000	53.34	-	-	-	-	-	-
9.37% Gujarat State Development Loan 04.12.2023 Bonds	100	2,500,000	273.91	-	-	-	-	-	-
8.80% Tamilnadu State Government Stock Development Loan 25.10.2022 Bonds	100	4,000,000	437.65	-	-	-	-	-	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6 Securities held for trading

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount
Government Debt Securities (continued)									
7.48% Chattisgarh Gujarat State Government Stock Development Loan 06.03.2022 Bonds	100	500,000	50.32	-	-	-	-	-	-
8.35% Government Stock 14.05.2022 Bonds	-	-	-	12,500,000	100	1,335.13	100	3,500,000	383.46
8.08% Government Stock 02.08.2022 Bonds	-	-	-	3,500,000	100	364.50	100	500,000	53.41
6.97% Government Stock 06.09.2026 Bonds	-	-	-	1,500,000	100	145.36	-	-	-
8.20% Government Stock 15.02.2022 Bonds	-	-	-	26,500,000	100	2,763.33	-	-	-
8.15% Government Stock 11.06.2022 Bonds	-	-	-	12,500,000	100	1,318.46	-	-	-
6.84% Government Stock 19.12.2022 Bonds	-	-	-	10,000,000	100	1,000.54	-	-	-
8.28% Government Stock 21.09.2027 Bonds	-	-	-	428,000	100	44.65	-	-	-
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds	-	-	-	3,200,000	100	334.18	-	-	-
8.60% West Bengal State Government Stock 23.04.2018 Bonds	-	-	-	450,000	100	46.75	-	-	-
8.24% Government Stock 22.04.2018 Bonds	-	-	-	4,000,000	100	414.98	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2019 Bonds	-	-	-	10,000,000	100	1,014.06	-	-	-
6.17% Government Stock 12.06.2023 Bonds	-	-	-	2,500,000	100	242.38	-	-	-
8.54% Madhya Pradesh Government Stock 10.03.2020 Bonds	-	-	-	5,000,000	100	514.34	-	-	-
7.75% Rajasthan State Uday Government Stock 23.06.2018 Bonds	-	-	-	2,000,000	100	204.74	-	-	-
8.48% Andhra Pradesh State Development Loans 24.02.2020 Bonds	-	-	-	2,500,000	100	257.70	-	-	-
8.15% Bihar State Development Loan Government Stock 27.03.2028 Bonds	-	-	-	3,400	100	0.35	-	-	-
8.16% Karnataka State Development Loan Government Stock 26.11.2025 Bonds	-	-	-	12,000	100	1.25	-	-	-
8.40% Government Stock 28.07.2024 Bonds	-	-	-	-	-	-	100	15,000,000	1,643.93
8.15% Government Stock 24.11.2026 Bonds	-	-	-	-	-	-	100	5,000,000	547.64
7.68% Government Stock 15.12.2023 Bonds	-	-	-	-	-	-	100	24,000,000	2,554.17
7.72% Government Stock 25.05.2025 Bonds	-	-	-	-	-	-	100	16,000,000	1,709.34
8.13% Government Stock 22.06.2045 Bonds	-	-	-	-	-	-	100	5,000,000	550.93
7.06% Government Stock 10.10.2046 Bonds	-	-	-	-	-	-	100	2,000,000	200.51
8.24% Tamilnadu Government Stock Uday 22.03.2028 Bonds	-	-	-	-	-	-	100	3,697,800	378.46
8.04% Tamilnadu Government Stock Uday 22.03.2029 Bonds	-	-	-	-	-	-	100	3,150,000	318.47
8.01% Tamilnadu Government Stock Uday 22.03.2030 Bonds	-	-	-	-	-	-	100	2,280,000	229.64
8.05% Tamilnadu Government Stock Uday 22.03.2031 Bonds	-	-	-	-	-	-	100	4,000,000	404.41
7.92% Tamilnadu Government Stock Uday 22.03.2032 Bonds	-	-	-	-	-	-	100	3,920,000	393.29
6.57% Government Stock 05.12.2033 Bonds	-	-	-	-	-	-	100	700,000	67.37
Total Government Debt Securities (A)			13,679.23			14,406.88			14,564.10



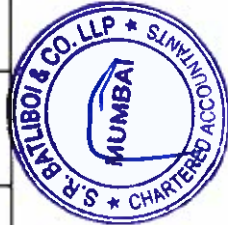
Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

6 Securities held for trading

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount
Debt Securities									
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	1,000	157	0.16	1,000	529	0.58	-	-	-
11.25% ECL Finance Limited 05.05.2025 NCD - Yrly	1,000,000	2	2.01	1,000,000	4	4.36	-	-	-
9.45% ECL Finance Limited 06.08.2021 Bonds	1,000	50	0.05	-	-	-	-	-	-
10.15% ECL Finance Limited 11.03.2020 NCD - Mth	1,000	389	0.40	-	-	-	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Mth	-	-	-	1,000	-	-	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Mth Cum	-	-	-	1,000	7	0.01	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yrly Cum	-	-	-	1,000	25	0.04	-	-	-
12.00% ECL Finance Limited 26.04.2020 NCD - Mth Cum	-	-	-	1,000	7	0.02	-	-	-
12.00% ECL Finance Limited 26.04.2020 NCD - Yrly	-	-	-	1,000	90	0.13	-	-	-
9.75% Edelweiss Retail Finance Limited Perpetual Bonds	-	-	-	1,000,000	1	0.94	-	-	-
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	-	-	-	1,000	1,000	1.00	-	-	-
11.85% ECL Finance Limited 28.01.2019 NCD - Mth Cum	-	-	-	-	-	-	1,000	54,016	83.36
10.00% ECL Finance Limited 11.03.2018 NCD - Mth	-	-	-	-	-	-	1,000	289	0.30
10.45% ECL Finance Limited 11.03.2018 NCD - Yrly	-	-	-	-	-	-	1,000	8,052	9.05
10.45% ECL Finance Limited 11.03.2018 NCD - Yrly Cum	-	-	-	-	-	-	1,000	2,085	2.54
10.60% ECL Finance Limited 11.03.2020 NCD - Yrly	-	-	-	-	-	-	1,000	315	0.35
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	-	-	-	-	-	-	1,000	5,458	5.77
10.60% ECL Finance Limited 11.03.2020 NCD - Yrly Cum	-	-	-	-	-	-	1,000	7,471	13.28
9.10% Dewan Housing Finance Corporation Limited 16.08.2019 NCD	1,000	476	0.50	1,000	426	0.60	-	-	-
9.60% Srei Equipment Finance Limited 25.05.2028 Bonds	1,000	117,853	119.98	-	-	-	-	-	-
8.95% Food Corporation Of India 01.03.2029 Bonds	1,000,000	2	2.20	-	-	-	-	-	-
8.20% Housing Development Finance Corporation Bank Limited 29.07.2021 Bonds	-	-	-	10,000,000	5	52.94	-	-	-
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 NCD	-	-	-	1,000	11,325	12.12	-	-	-
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD	-	-	-	13	20,481	0.27	-	-	-
8.01% Tata Sons Limited 02.09.2021 Bonds	-	-	-	1,000,000	100	100.00	-	-	-
7.11% Power Finance Corporation Limited 17.10.2025 Bonds	-	-	-	1,000	1,000	1.09	-	-	-
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	-	-	-	1,000	46,381	49.69	-	-	-
7.34% Indian Railway Finance Corporation Limited 19.02.2028 Bonds	-	-	-	1,000	173	0.19	-	-	-
9.55% Canara Bank Perpetual Bonds	-	-	-	1,000,000	1	1.04	-	-	-
8.71% Rural Electrification Corporation Limited 24.09.2028 Bonds	-	-	-	1,000	3,000	3.60	-	-	-
8.92% Power Finance Corporation Limited 16.11.2033 Bonds	-	-	-	1,000	3,586	4.54	-	-	-
11.40% The Tata Power Company Limited Perpetual 02.06.2099 NCD	-	-	-	1,000,000	13	14.38	-	-	-
9.37% IL&FS Transportation Networks Limited 29.10.2027 Bonds	-	-	-	1,000,000	1	0.99	-	-	-
8.80% Steel Authority Of India Limited 22.06.2019 Bonds	-	-	-	1,000,000	4	4.27	-	-	-
9.15% Dewan Housing Finance Corporation Limited 20.09.2019 NCD	-	-	-	1,000,000	8	8.09	-	-	-
9.80% Larsen And Toubro Infrastructure Finance Company Limited 16.01.2019 NCD	-	-	-	2,500,000	1	2.58	-	-	-
9.14% Kudgi Transmission Limited 25.04.2031 NCD	-	-	-	1,000,000	20	22.27	-	-	-
9.70% Mahindra & Mahindra Financial Services Limited 24.04.2023 NCD	-	-	-	1,000,000	2	2.29	-	-	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

6 Securities held for trading

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount	Face Value (in Rs.)	Quantity	Amount
Debt Securities (continued)									
8.63% Rural Electrification Corporation Limited 24.03.2029 NCD	-	-	-	1,000	1,000	1.22	-	-	-
7.60% Power Finance Corporation Limited 17.10.2035 NCD	-	-	-	70	70	0.08	-	-	-
10.70% Dewan Housing Finance Limited 10.06.2021 Bonds	-	-	-	1,000	1,000	2.27	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	-	-	-	1,000,000	1,000,000	52.96	-	-	-
8.45% Indiabulls Commercial Credit Limited 05.01.2028 Bonds	-	-	-	100,000	100,000	44.68	-	-	-
7.85% The Industrial Finance Corporation Limited 15.09.2020 NCD	-	-	-	-	-	-	-	-	-
8.00% Industrial Finance Corporation Limited 31.01.2021 Bonds	-	-	-	-	-	-	5,000	29	0.21
11.50% Tata Steel Limited Perpetual 11.05.2021 NCD	-	-	-	-	-	-	5,000	166	1.17
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD	-	-	-	-	-	-	1,000,000	2	2.24
8.20% National Highways Authority Of India 25.01.2022 Bonds	-	-	-	-	-	-	13	454,876	6.19
7.60% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	-	-	-	1,000	10,102	11.31
7.64% National Bank For Agriculture And Rural Development 23.03.2031 Bonds	-	-	-	-	-	-	1,000	6,001	7.05
8.62% Rural Electrification Corporation Limited 09.09.2033 Bonds	-	-	-	-	-	-	1,000	5,967	6.57
9.00% Mahindra And Mahindra Financial Services Limited 06.06.2026 Bonds	-	-	-	-	-	-	1,000	300	0.38
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 NCD	-	-	-	-	-	-	1,000	10,552	11.65
8.20% Housing Development Finance Corporation Bank Limited 29.07.2021 Bonds	-	-	-	-	-	-	1,000	13,538	14.29
9.10% Dewan Housing Finance Corporation Limited 16.08.2019 NCD	-	-	-	-	-	-	10,000,000	5	53.53
7.80% Housing Development Finance Corporation Limited 11.11.2019 Bonds	-	-	-	-	-	-	1,000	1,047	1.12
8.75% National Highways Authority Of India 05.02.2029 Bonds	-	-	-	-	-	-	1,000,000	5	51.71
7.65% Bajaj Finance Limited 21.10.2021 NCD	-	-	-	-	-	-	1,000	4,402	5.23
8.01% Tata Sons Limited 02.09.2021 Bonds	-	-	-	-	-	-	1,000,000	50	51.01
9.40% Reliance Home Finance Limited 03.01.2032 Bonds	-	-	-	-	-	-	1,000,000	100	99.77
8.90% Aditya Birla Finance Limited 20.11.2026	-	-	-	-	-	-	1,000	400	0.41
8.75% Muthoot Finance Limited 30.01.2019 Bonds	-	-	-	-	-	-	1,000,000	1	1.05
9.00% Muthoot Finance Limited 30.01.2020 Bonds	-	-	-	-	-	-	1,000	340	0.34
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	-	-	-	1,000	1,986	2.01
8.93% National Housing Bank 24.03.2029 Bonds	-	-	-	-	-	-	1,000	266	0.26
0% Srei Equipment Finance Limited 21.02.2018 NCD	-	-	-	-	-	-	5,000	717	4.30
7.28% National Highways Authority Of India 18.09.2030 NCD	-	-	-	-	-	-	1,000	1,000	1.01
	-	-	-	-	-	-	1,000,000	-	2.81
Total Debt Securities (B)			125.30			389.24			450.27
Preference Shares									
6.00% Zee Entertainment Enterprises Limited 05.03.2022 Preference Shares Sr-I	-	-	-	8	3,000,000	24.32	-	-	-
7.50 % Redeemable Preference Shares - Vedanta Limited	-	-	-	10	419,512	4.44	-	-	-
Total Preference Shares (C)						28.76			-
Total (A+B+C)			13,804.53			14,824.88			15,014.37



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

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7. Receivables			
a) Trade receivables			
Receivables considered good - Unsecured (Refer note 3.A)	6,283.79	4,563.14	222.97
Trade Receivables (a)	6,283.79	4,563.14	222.97
b) Other receivables			
Receivables considered good - Unsecured	0.84	95.30	105.23
Other receivables (b)	0.84	95.30	105.23
Total Receivables (a) + (b)	6,284.63	4,658.44	328.20

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	-	-
Add/ (less): asset originated or acquired (net)	-	-
Impairment allowance - Closing Balance	-	-

Notes:

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

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

d) Trade receivables days past due

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

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

As at April 01, 2017	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates							
Estimated total gross carrying amount at default *	222.97	-	-	-	-	-	222.97
ECL - Simplified approach	-	-	-	-	-	-	-
Net carrying amount	222.97	-	-	-	-	-	222.97

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

8. Investments

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Investments									
Equity Instruments (Fully paid up)									
at Amortised Cost									
Subsidiary Companies									
EC Global Limited	-	-	-	-	-	-	USD I	25,000	0.44
Total									0.44
(i) Investments outside India									0.44
(ii) Investments in India									-
Total									0.44



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

9. Other financial assets

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deposits placed with exchange/depositories	139.90	112.40	39.80
Deposits- others	1.07	0.82	0.98
Margin placed with broker (refer note 5.A)	303.47	41.51	16.18
Accrued interest on margin	0.28	0.69	0.14
Triparty Repo	3,900.00	-	-
Other assets	9.00	9.39	-
	4,353.72	164.81	57.10

10. Current tax assets (net)

Advance income taxes	260.47	437.77	181.37
(Net of provision for tax Rs. 79.03 million as at March 31, 2019, Rs. 534.38 million as at March 31, 2018 and Rs. 1,310.06 million as at April 1, 2017)			
	260.47	437.77	181.37

11. Deferred tax assets (net)

Deferred tax assets

Property, Plant and Equipment & Intangible assets

Difference between book and tax depreciation	2.07	2.38	-
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Investment and other financial instruments

Unrealised loss on Derivatives	89.78	6.31	1.80
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Fair valuation of investments and securities held for trading - loss in valuation	-	2.26	-
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Fair valuation of employee stock option

	-	37.77	30.61
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MAT credit entitlement

	-	6.47	-
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Employee benefit obligations

Disallowances under section 43B of the Income Tax Act, 1961	0.48	37.26	30.80
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Others

	1.83	-	-
	94.16	92.45	63.21

Deferred tax liabilities

Property, Plant and Equipment & Intangible assets

Difference between book and tax depreciation	-	-	0.62
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Investment and other financial instruments

Fair valuation of investments and securities held for trading - gain in valuation	19.73	-	7.04
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Unrealised Gain On Derivatives	0.40	10.92	15.46
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	20.13	10.92	23.12
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	74.03	81.53	40.09
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Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

12. Property, plant and equipment and Intangible assets

Particulars	Property, plant and equipment				Other Intangible Assets	
	Building	Vehicles	Office equipment	Computers	Computer Software	Total
Deemed cost*						
As at April 1, 2017	1.25	7.79	0.15	1.26	1.30	11.75
Additions	-	1.63	0.16	2.83	4.17	8.79
Disposals	-	(1.22)	(0.03)	(0.01)	-	(1.26)
as at March 31, 2018	1.25	8.20	0.28	4.08	5.47	19.28
Additions	-	-	-	0.71	7.29	8.00
Disposals	-	(0.87)	-	(0.16)	-	(1.03)
as at March 31, 2019	1.25	7.33	0.28	4.63	12.76	26.25
Depreciation and Impairment:						
As at April 1, 2017 *	-	-	-	-	-	-
Depreciation/Amortisation for the year	0.06	2.65	0.10	1.23	0.76	4.80
Disposals	-	-	(0.01)	-	-	(0.01)
as at March 31, 2018	0.06	2.65	0.09	1.23	0.76	4.79
Depreciation/Amortisation for the year	0.06	1.68	0.09	1.48	2.73	6.04
Disposals	-	(0.32)	-	(0.09)	-	(0.41)
as at March 31, 2019	0.12	4.01	0.18	2.62	3.49	10.42
Net Book Value						
As at April 01, 2017	1.25	7.79	0.15	1.26	1.30	11.75
As at March 31, 2018	1.19	5.55	0.19	2.85	4.71	14.49
As at March 31, 2019	1.13	3.32	0.10	2.01	9.27	15.83

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
13. Other non-financial assets			
(Unsecured considered good, unless stated otherwise)			
Input tax credit	22.42	11.67	1.59
Vendor Advances	3.70	1.32	-
Contribution to gratuity fund (net) (refer note 28)	1.50	1.47	0.98
Prepaid expenses	1.53	1.85	-
Advances to employees	1.88	-	-
	31.03	16.31	2.58
14. Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 5.A)	49.40	54.64	39.20
	49.40	54.64	39.20
14.A Details of dues to micro and small enterprises			
Trade Payables includes Rs.Nil (March 31, 2018: Rs.Nil; April 1, 2017: Rs Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.			
15. Borrowings other than Debt Securities			
(At amortised cost)			
<u>Secured</u>			
Triparty Repo			
[Secured by pledge of Government securities and Treasury-bills]	18,062.90	-	-
[March 31, 2019; Repayable on April 02, 2019 Interest payable in range of 5.50% to 7.30%]			
Collateralised borrowing and lending obligation and Clearcorp repo order matching system	-	17,373.62	11,439.99
[Secured by pledge of Government securities and Treasury-bills]			
[March 31, 2018; Repayable on April 03, 2018 Interest payable in range of 4.40% to 7.10%]			
[March 31, 2017; Repayable on April 03, 2017 Interest payable in range of 4.00% to 7.70%]			
<u>Unsecured</u>			
Loan from related parties	5,052.27	196.08	2,635.10
(Refer note 36 on Related party transaction)			
(Repayable on demand, Interest payable in the range of 9.00% to 12.50% for March 31, 2019, 9% for March 31, 2018 and 9.00% to 12.00% for March 31, 2017)			
	23,115.17	17,569.70	14,075.09
Borrowings in India	23,115.17	17,569.70	14,075.09
Borrowings outside India	-	-	-
	23,115.17	17,569.70	14,075.09
16. Subordinated Liabilities			
(at Amortised Cost)			
<u>Unsecured</u>			
Preference Shares	516.59	516.59	516.59
	516.59	516.59	516.59
Subordinated liabilities in India	516.59	516.59	516.59
Subordinated liabilities outside India	-	-	-
	516.59	516.59	516.59

The Preference Shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The Preference Shares were allotted on July 19, 2013. The Preference Shares are Cumulative and Redeemable. The Preference Shares carry a Cumulative dividend of 14.625%. The Preference Shares will be redeemed at a premium of Rs. 5 per preference share over the Face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.



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

(Currency : Indian rupees in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
17. Other financial liabilities			
Accrued salaries and benefits	20.00	39.07	47.58
Provision for dividend distribution tax	9.25	9.34	9.34
Unpaid dividends	3.31	0.39	0.39
Book overdraft	-	-	1.48
	32.56	48.80	58.79
18. Current tax liabilities (net)			
Provision for taxation (Net of advance tax Rs. 514.80 million as at March 31, 2019, Rs. 778.16 million as at March 31, 2018, Rs. 620.13 million as at April 1, 2017)	80.24	194.00	195.07
	80.24	194.00	195.07
19. Provisions			
Provision for employee benefits			
Compensated leave absences	1.45	1.10	0.67
Deferred bonus	-	105.52	151.65
Others	9.01	9.01	-
	10.46	115.63	152.32
20. Other non-financial liabilities			
Statutory liabilities*	3.71	14.92	24.45
Others	12.63	3.63	1.74
	16.34	18.55	26.19

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
21. Equity share capital						
Authorised :						
Equity Shares of Rs.10 each	41,620,000	416.20	41,620,000	416.20	3,000,000	30.00
Preference shares of Rs 10 each	31,380,000	313.80	31,380,000	313.80	70,000,000	700.00
	73,000,000	730.00	73,000,000	730.00	73,000,000	730.00
Issued, Subscribed and Paid up:						
Equity Shares of Rs.10 each	3,435,332	34.35	3,435,332	34.35	2,655,020	26.55
	3,435,332	34.35	3,435,332	34.35	2,655,020	26.55

21.A Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	3,435,332	34.35	2,655,020	26.55	2,655,020	26.55
Shares issued during the year (Refer note below)	-	-	780,312	7.80	-	-
Outstanding at the end of the year	3,435,332	34.35	3,435,332	34.35	2,655,020	26.55

Notes:

During the financial year 2017-18, the Company has issued 780,312 fully paid-up equity shares of Rs.10 each at a premium of Rs 502 each for the consideration of Rs.399.50 million to Edelweiss Financial Services Limited.

21.B Terms/rights attached to equity shares :

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

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

21.C Shares held by holding/ultimate holding company

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Financial Services Limited #	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%
	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%

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

	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Holding company						
Edelweiss Financial Services Limited #	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%
	3,435,332	100.00%	3,435,332	100.00%	2,655,020	100.00%

including 6 shares held by nominees of Edelweiss Financial Services Limited

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

22. Other Equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a. Capital redemption reserve	9.71	9.71	9.71
b. Securities Premium Reserve	711.81	711.81	320.09
c. Statutory Reserve	921.04	921.04	878.58
d. General Reserve	90.26	90.26	90.26
e. Retained Earnings	65.36	106.67	14.73
f. Deemed capital contribution - Equity	15.18	15.18	10.95
	1,813.36	1,854.67	1,324.32

A. Nature and purpose of Reserves

a. Capital redemption reserve

The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b. Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c. Statutory Reserve

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

d. General Reserve

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

e. Retained Earnings

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

f. Deemed capital contribution - Equity

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

22. Other Equity

22. Other Equity (continued)

B. Movement in Other Equity

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. Capital redemption reserve			
Opening Balance	9.71	9.71	9.71
Add : Additions during the year	-	-	-
	<u>9.71</u>	<u>9.71</u>	<u>9.71</u>
II. Securities Premium Reserve			
Opening Balance	711.81	320.09	1,977.73
Less: Reduction on account of demerger (refer note 42.01)	-	-	(1,657.64)
Add : Premium received on issue of equity shares	-	391.72	-
	<u>711.81</u>	<u>711.81</u>	<u>320.09</u>
III. Statutory Reserve			
Opening Balance	921.04	878.58	719.96
Add : Reserve created for the year	-	42.46	158.62
	<u>921.04</u>	<u>921.04</u>	<u>878.58</u>
IV. General Reserve			
Opening Balance	90.26	90.26	90.26
Add : Addition during the year	-	-	-
	<u>90.26</u>	<u>90.26</u>	<u>90.26</u>
V. Retained Earnings			
Opening Balance	106.67	14.73	319.86
Add: (Loss) / profit for the year	(3.64)	126.93	793.11
Add: Other Comprehensive Income	0.10	0.31	-
Less / Add : Income tax effect of ESOPs	(37.77)	7.16	30.61
Less: Profit transferred of demerged divisions (Refer note 42.01)	-	-	(272.08)
Add / Less: Impact on First time Adoption of Ind AS	-	-	28.14
Amount available for appropriation (a)	<u>65.36</u>	<u>149.13</u>	<u>899.64</u>
Appropriations:			
Interim dividend on equity shares	-	-	(557.55)
Dividend distribution tax	-	-	(122.85)
Transfer to Special Reserve	-	(42.46)	(158.62)
Proposed dividend on preference shares	-	-	(45.89)
Appropriations (b)	<u>-</u>	<u>(42.46)</u>	<u>(884.91)</u>
Total V - (a - b)	<u>65.36</u>	<u>106.67</u>	<u>14.73</u>
VI. Deemed capital contribution - Equity			
Opening Balance	15.18	10.95	-
Add : ESOPs charged during the year	-	4.23	10.95
	<u>15.18</u>	<u>15.18</u>	<u>10.95</u>
Total = (I+II+III+IV+V+VI)	<u>1,813.36</u>	<u>1,854.67</u>	<u>1,324.32</u>



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

(Currency : Indian rupees in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
23. Interest Income		
On Financial assets measured at fair value through profit or loss		
Interest income from debt securities held for trading	1,400.65	1,573.87
On Financial assets measured at amortised cost		
Interest income on fixed deposits with Bank	3.45	3.40
Interest income on collateralised borrowing and lending operations	2.39	2.98
Other interest income		
- On margin with brokers	2.18	3.61
- On others	1.99	6.83
	1,410.66	1,590.69
24. Dividend Income		
Dividend on securities held for trading	1.44	0.72
	1.44	0.72
25. Other income		
Profit on sale of property, plant and equipment (net)	0.21	-
Interest on income tax refund	12.28	-
	12.49	-



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

26. Finance costs

On Financial Liabilities measured at Amortised Cost

Interest on borrowings

- Interest on collateralised borrowing and lending operations	79.31	337.01
- Interest on clearcorp repo order matching system	943.34	705.19
- Interest on loan from fellow subsidiaries	79.19	222.13
- Interest on bank overdraft	0.57	0.54

Interest on subordinated liabilities

- Dividend on preference shares	55.24	55.24
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Other interest expense

- Finance and bank charges	4.47	3.94
- Collateralised borrowing and lending charges	42.34	29.48

	1204.46	1353.53
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27. Net gain on fair value changes (including treasury income)

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

On securities held for trading	(18.60)	289.06
On derivative financial instrument	77.36	(175.59)

Profit on sale of investment held at cost

-	(25.60)
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58.76	87.87
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Fair value changes

Realised	(117.45)	50.79
Unrealised	176.21	37.08

58.76	87.87
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28. Employee benefits expense

Salaries, wages and bonus (refer note 29.D)	25.18	120.12
Contribution to provident and other funds	3.54	5.39
Expense on Employee Stock Option Scheme (ESOP) - Refer Note below	5.47	4.23
Staff welfare expenses	1.58	2.55

35.77	132.29
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Notes:

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



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

28 Employee benefits expense (continued)

a) Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

Amount of Rs. 3.38 million (previous year: Rs. 3.33 million) is recognised as expenses and included in "Employee benefits expense".

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

b) Defined benefit plan - gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2019	March 31, 2018	April 01, 2017
Present Value of DBO at Start of the year	7.48	6.45	8.37
<i>Service Cost</i>			-
a. Current Service Cost	1.11	1.10	1.41
b. Past Service Cost	-	1.23	-
c. Loss/(Gain) from Settlement	-	-	-
Interest Cost	0.49	0.37	0.46
Benefits Paid	(0.21)	(0.24)	(0.96)
<i>Re-measurements</i>			-
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	0.13	(0.21)	0.16
c. Actuarial Loss/(Gain) from experience over last past year	(0.27)	(0.14)	(0.85)
Effect of acquisition / (divestiture)	-	-	-
Changes in foreign exchange rate	-	-	-
Transfer In / (Out)	(0.82)	(1.08)	(2.14)
Present Value of DBO at end of the year	7.91	7.48	6.45

Reconciliation of Fair Value of Plan Assets

	March 31, 2019	March 31, 2018	April 01, 2017
Fair Value of Plan Assets at start of the year	8.95	8.49	8.38
<i>Contributions by Employer</i>	<i>0.01</i>	<i>-</i>	<i>-</i>
Benefits Paid	(0.21)	(0.24)	(0.96)
Interest Income Plan Assets	0.64	0.57	0.56
<i>Re-measurements</i>	<i>-</i>	<i>-</i>	<i>-</i>
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	0.02	0.13	0.50
Effect of acquisition / (divestiture)	-	-	-
Changes in foreign exchange rate	-	-	-
Fair Value of Plan Assets at end of the year	9.41	8.95	8.49
<i>Actual Return on Plan Assets</i>	<i>0.66</i>	<i>0.70</i>	<i>1.06</i>
<i>Expected Employer Contributions for the coming year</i>	<i>-</i>	<i>-</i>	<i>-</i>



28 Employee benefits expense (continued)

Expenses recognised in the Profit and Loss Account

	March 31, 2019	March 31, 2018
<i>Service Cost</i>		
a. Current Service Cost	1.11	1.10
b. Past Service Cost	-	1.23
c. Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	(0.16)	(0.20)
Changes in foreign exchange rate	-	-
Employer Expenses	0.96	2.13

Net Liability / (Asset) recognised in the Balance sheet

	March 31, 2019	March 31, 2018	April 01, 2017
Present Value of DOB	7.91	7.48	6.45
Fair Value of Plan Assets	9.41	8.95	8.49
Liability / (Asset) recognised in the Balance Sheet	(1.50)	(1.47)	(2.03)
Funded Status [Surplus/ (Deficit)] *	1.50	1.47	2.03
Of which, Short term Liability	-	-	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(0.27)	(0.14)	(0.85)

* Surplus of Rs. 1.05 million transferred on account of demerger (refer note 42.01) and balance Rs. 0.98 million is appearing in other non financial asset as at April 1, 2017 (refer note 13).

Percentage Break-down of Total Plan Assets

	March 31, 2019	March 31, 2018	April 01, 2017
Equity instruments	-	-	-
Debt instruments	-	-	-
Real estate	-	-	-
Derivatives	-	-	-
Investment Funds with Insurance Company	99.9%	99.9%	99.9%
Of which, Unit Linked	99.9%	99.9%	99.9%
Of which, Traditional/ Non-Unit Linked	-	-	-
Asset-backed securities	-	-	-
Structured debt	-	-	-
Cash and cash equivalents	0.1%	0.1%	0.1%
Total	100%	100%	100%

Actuarial assumptions:

	March 31, 2019	March 31, 2018	April 01, 2017
Salary Growth Rate (% p.a)	7% p.a	7% p.a	7% p.a
Discount Rate (% p.a)	7% p.a	7.3% p.a	6.8% p.a
Withdrawal Rate (% p.a)			
Senior	13% p.a	13% p.a	13% p.a
Middle	18% p.a	18% p.a	18% p.a
Junior	25% p.a	25% p.a	25% p.a
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	7.3% p.a	6.8% p.a	7.4% p.a
Expected weighted average remaining working life (years)	5 Years	5 Years	5 Years



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency: Indian rupees in million)

28 Employee benefits expense (continued)

Movement in Other Comprehensive Income

	March 31, 2019	March 31, 2018
Balance at start of year (Loss)/ Gain	NIL	NIL
Re-measurements on DBO		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	(0.13)	0.21
c. Actuarial Loss/(Gain) from experience over last past year	0.27	0.14
Re-measurements on Plan Assets	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	0.02	0.13
Balance at end of year (Loss)/ Gain	0.16	0.48

Sensitivity Analysis

DOB increases / (decreases) by	March 31, 2019	March 31, 2018	April 01, 2017
1 % Increase in Salary Growth Rate	0.39	0.37	0.29
1 % Decrease in Salary Growth Rate	(0.36)	(0.34)	(0.27)
1 % Increase in Discount Rate	(0.36)	(0.34)	(0.27)
1 % Decrease in Discount Rate	0.39	0.37	0.30
1 % Increase in Withdrawal Rate	(0.03)	(0.03)	(0.07)
1 % Decrease in Withdrawal Rate	0.03	0.03	0.07
Mortality (Increase in expected lifetime by 1 year)	Negligible Change	Negligible Change	Negligible Change
Mortality (Increase in expected lifetime by 3 year)	Negligible Change	Negligible Change	Negligible Change

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

Movement in Surplus / (Deficit)

	March 31, 2019	March 31, 2018	April 01, 2017
Surplus / (Deficit) at start of year	1.47	0.98	0.01
Net (Acquisition) / Divestiture	-	-	-
Net Transfer (In)/ Out	0.82	1.08	2.14
Movement during the year	-	-	-
Current Service Cost	(1.11)	(1.10)	(1.41)
Past Service Cost	-	(1.23)	-
Net Interest on net DBO	0.16	0.20	0.10
Changes in foreign exchange rate	-	-	-
Re-measurements	0.16	0.48	1.19
Contributions / Benefits	0.01	-	-
Impact of demerger *	-	1.05	(1.05)
Surplus / (Deficit) at end of year	1.50	1.47	0.98

* Surplus of Rs. 1.05 million transferred on account of demerger (refer note 42.01)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

	For the year ended March 31, 2019	for the year ended March 31, 2018
29. Other expenses		
Advertisement and business promotion	0.15	0.14
Auditors' remuneration (refer note 29.A)	1.77	2.02
Commission and brokerage	0.22	0.47
Communication	1.57	1.85
Directors' sitting fees	0.46	0.50
Insurance	0.09	0.08
Legal and professional fees	5.83	35.27
Printing and stationery	0.26	0.18
Rates and taxes	8.63	7.50
Rent (refer note 29.C and 29.D)	9.09	12.35
Repairs and maintenance (refer note 29.D)	0.06	0.17
Electricity charges (refer note 29.D)	0.93	1.31
Foreign exchange loss (net)	0.01	-
Computer expenses	0.57	0.25
Computer software	6.09	1.79
Corporate social responsibility (refer note 29.B)	5.00	4.02
Clearing & custodian charges	0.24	1.23
Dematerialisation charges	-	0.07
Rating support fees	0.13	0.26
Membership and subscription	0.09	-
Office expenses	17.46	0.03
Securities transaction tax	-	0.05
Seminar & Conference	0.02	0.03
Stamp duty	2.41	3.07
Stock exchange expenses	-	0.26
Travelling and conveyance	5.63	5.89
Miscellaneous expenses	6.88	0.31
Housekeeping and security charges (refer note 29.D)	0.29	-
	73.88	79.12

29.A Auditors' remuneration:

As a Auditor

Audit fees	1.70	1.95
Reimbursement of expenses	0.07	0.07
	1.77	2.02

29.B Details of CSR Expenditure:

Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act, 2013.

	14.99	19.50
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	5.00	4.02
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	5.00	4.02
Amount paid to EdelGive Foundation (refer note 36 related party disclosure)	5.00	4.02
Paid to external parties	-	-
	5.00	4.02

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 225.19 million (Previous year: Rs. 177.84 million) (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended 31 March 2019, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2019.

29.C Operating leases

The Company has taken premises on operating lease. Rental expenses for the year aggregated to Rs.9.09 million (Previous year Rs.12.35 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

29.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group mediclaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies (if any) are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 28 and 29 include reimbursements paid and are net of the reimbursements received based on the management's best estimate are Rs. 11.86 million (previous year Rs. 14.37 million)



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

30. Income Tax

30.A Component of Income Tax Expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax	79.47	6.47
Adjustment in respect of current income tax of Prior years	6.64	(165.16)
Deferred tax relating to temporary differences	(36.79)	(27.97)
MAT Credit entitlement	-	(6.47)
Total Tax Charge for the year	49.32	(193.13)
Current Tax (Refer Note 30.B)	86.11	(158.69)
Deferred Tax (Refer Note 30.C)	(36.79)	(34.44)

30.B Reconciliation of total tax charge

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) before Taxes	45.68	(66.20)
Statutory Income Tax rate	34.94%	34.61%
Tax Charge at Statutory Rate	15.96	-
Adjustment in respect of current income tax of prior year	6.64	(165.16)
MAT tax payable	-	6.47
Tax effect of :		
Income / Items not subject to tax to chargeable to lower tax rate		
Dividend Income	(0.50)	(0.25)
Loss on sale of shares	-	(8.86)
Non deductible expenses		
Dividend on Preference shares	19.30	19.12
Interest on shortfall of advance tax	0.08	(0.34)
Donation expense	0.87	1.39
Recognition of available Minimum Alternate Tax credit	-	(6.47)
Others	6.97	(39.03)
Total Tax Expenses Reported in Statement of Profit and Loss	49.32	(193.13)
Effective Income Tax Rate	107.96%	291.75%



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

30.C Movement of Deferred Tax assets

Financial Year 2018-19

Movement for the period (2018-19)

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

Financial Year 2017-18

Movement for the period (2017-18)

	As on April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised in other equity	Others	Total movement	As on March 31, 2018
Deferred tax assets							
Property, Plant and Equipment & Intangible assets	(0.62)	3.00	-	-	-	3.00	2.38
Unrealised loss on Derivatives	1.80	4.51	-	-	-	4.51	6.31
Fair valuation of investments and securities held for trading - loss in valuation	(7.04)	9.30	-	-	-	9.30	2.26
ESOP cost	30.61	-	-	7.16	-	7.16	37.77
MAT credit entitlement	-	6.47	-	-	-	6.47	6.47
Employee benefits obligations	30.80	6.63	(0.17)	-	-	6.46	37.26
Others	-	-	-	-	-	-	-
Deferred tax liabilities							
Unrealised Gain On Derivatives	(15.46)	4.54	-	-	-	4.54	(10.92)
Deferred tax assets (net)	40.09	34.44	(0.17)	7.16	-	41.44	81.53



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

31. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the period adjusted for assumed conversion of all dilutive potential equity shares.

		For the year ended March 31, 2019	For the year ended March 31, 2018
Net (loss) / profit attributable to Equity holders of the Company	(A)	(3.64)	126.93
Weighted average Number of Shares			
- Number of equity shares outstanding at the beginning of the year		3,435,332	2,655,020
- Number of equity shares issued during the year		-	780,312
Total number of equity shares outstanding at the end of the year		3,435,332	3,435,332
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	3,435,332	3,056,801
Basic and diluted earnings per share (in rupees)	(A / B)	(1.06)	41.52

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

32. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

32.1 Contingent Liability

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Taxation matters related to income tax for Assessment year 2009-10 and Assessment year 2013-14 in respect of which appeal is pending	0.60	0.60	0.60
Taxation matters related to service tax for the period from April 1, 2011 to March 31, 2016 in respect of which appeal is pending	3.08	-	-

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

32.3 Commitment

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Uncalled liabilities on non-current investments	-	-	-
b) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	3.98	0.06

33. Segment Reporting

The Company's main business is trading and dealing in Government securities ("G-Sec") and fixed income securities. All other activities revolve around the main business. Further, all activities are carried out in India. As such, there are no separate reportable segments as per the pronouncements of Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

34. Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at March 31, 2018	Cash Flows	Changes in Fair value	Others (net) *	As at March 31, 2019
Borrowings other than Debt Securities	17,569.70	5,566.33	-	(20.86)	23115.17
Subordinated Liabilities	516.59	-	-	-	516.59
	18086.29	5566.33	-	(20.86)	23631.76

Particulars	As at April 01, 2017	Cash Flows	Changes in Fair value	Others (net) *	As at March 31, 2018
Borrowings other than Debt Securities	14,075.09	3,467.71	-	26.90	17,569.70
Subordinated Liabilities	516.59	-	-	-	516.59
	14,591.68	3,467.71	-	26.90	18,086.29

* Other column includes the effect of accrued but not paid interest on borrowing



Edelweiss Finance & Investments Limited
Notes to financial statements (continued)
(Currency : Indian rupees in million)

35. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
Cash and cash equivalents	1,050.24	-	1,050.24	152.96	-	152.96	743.24	-	743.24
Bank balances other than cash and cash equivalents	53.33	-	53.33	50.02	-	50.02	50.00	-	50.00
Derivative financial instruments	1.01	-	1.01	26.44	-	26.44	-	-	-
Securities held for trading	13,804.53	-	13,804.53	14,824.88	-	14,824.88	15,014.37	-	15,014.37
Trade receivables	6,283.79	-	6,283.79	4,563.14	-	4,563.14	222.97	-	222.97
Other receivables	0.84	-	0.84	95.30	-	95.30	105.23	-	105.23
Investments	-	-	-	-	-	-	-	0.44	0.44
Other financial assets	4,203.75	149.97	4,353.72	42.20	122.61	164.81	16.32	40.78	57.10
Non-financial assets									
Current tax assets (net)	-	260.47	260.47	-	437.77	437.77	-	181.37	181.37
Deferred tax assets (net)	-	74.03	74.03	-	81.53	81.53	-	40.09	40.09
Property, Plant and Equipment	-	6.56	6.56	-	9.78	9.78	-	10.45	10.45
Other Intangible assets	-	9.27	9.27	-	4.71	4.71	-	1.30	1.30
Other non-financial assets	31.03	-	31.03	16.31	-	16.31	2.58	-	2.58
Total Assets	25,428.52	500.30	25,928.82	19,771.25	656.40	20,427.65	16,154.71	274.43	16,429.14
Financial Liabilities									
Derivative financial instruments	260.35	-	260.35	20.72	-	20.72	15.02	-	15.02
Trade payables	49.40	-	49.40	54.64	-	54.64	39.20	-	39.20
Borrowings (other than debt securities)	23,115.17	-	23,115.17	17,569.70	-	17,569.70	14,075.09	-	14,075.09
Subordinated Liabilities	45.89	470.70	516.59	45.89	470.70	516.59	45.89	470.70	516.59
Other financial liabilities	32.56	-	32.56	48.80	-	48.80	58.79	-	58.79
Non-financial liabilities									
Current tax liabilities (net)	80.24	-	80.24	-	194.00	194.00	-	195.07	195.07
Provisions	1.21	9.25	10.46	71.68	43.95	115.63	108.65	43.67	152.32
Other non-financial liabilities	12.90	3.44	16.34	14.96	3.59	18.55	22.60	3.59	26.19
Total Liabilities	23,597.72	483.39	24,081.11	17,826.39	712.24	18,538.63	14,365.24	713.03	15,078.27
Net Assets	1,830.80	16.91	1,847.71	1,944.86	(55.84)	1,889.02	1,789.47	(438.60)	1,350.87



Edelweiss Finance & Investments Limited
Notes to the financial statements (Continued)
(Currency: Indian Rupees in millions)

36 Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures"

i. List of related parties and relationship:	
Relationship	Name of related parties
Holding Company	Edelweiss Financial Services Limited
Fellow Subsidiaries	ECL Finance Limited ECap Equities Limited Edel Land Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Housing Finance Limited Edelweiss Retail Finance Limited EdelGive Foundation Edelweiss Capital Markets Limited Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) Edelweiss Custodial Services Limited Edelweiss Finvest Private Limited Edelweiss Business Services Limited (Merged with Edelweiss Rural & Corporate Services Limited) Edelweiss Tokio Life Insurance Company Limited EFSL Trading Limited EFSL Comtrade Limited EFSL Commodities Limited Edelweiss General Insurance Limited Edel Investments Limited EC International Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Reconstruction Company Limited Auris Corporate Centre Limited Burlington Business Solutions Limited
Key Management Personnel	Venkatchalam Ramaswamy
Non executive director	P.N. Venkatachalam Vinod Juneja

Note: The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.

ii. Transactions with related parties :

Nature of Transactions	Related Party Name	March 31, 2019	31 March 2018
A. Capital account transactions			
Sale of equity shares	EC International Limited	-	26.04
Preference Shares transferred on demerger	Edelweiss Finvest Private Limited	-	490.58
B Current account transactions			
Loans taken from (refer note 1 below)	Edelweiss Finvest Private Limited	-	648.84
	Edelweiss Rural & Corporate Services Limited	3,362.96	19,252.30
	ECap Equities Limited	4,566.00	-
Loan repaid to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	-	19,516.51
	Edelweiss Finvest Private Limited	-	648.84
Loans given to (refer note 1 below)	Edelweiss Rural & Corporate Services Limited	3,051.92	-
C Secondary market transactions			
Purchases of securities held for trading from	ECL Finance Limited	2,625.64	5,915.17
	Edelweiss Rural & Corporate Services Limited	1,132.24	4,262.38
	ECap Equities Limited	-	428.46
	Edelweiss Tokio Life Insurance Company Limited	-	196.48
	Edelweiss Finvest Private Limited	102.42	668.81
Sale of securities held for trading to	ECL Finance Limited	2,448.82	8,549.20
	Edelweiss Rural & Corporate Services Limited	249.79	657.19
	Edelweiss Securities Limited	166.49	753.66
	Edelweiss Tokio Life Insurance Company Limited	86.19	50.45
	ECap Equities Limited	-	0.26
	Edelweiss Finvest Private Limited	-	480.15
	Edelweiss Broking Limited	-	112.67
	Edelweiss General Insurance Limited	99.91	237.59
	Edelweiss Retail Finance Limited	315.46	-
Margin placed with (refer note 1 below)	Edelweiss Securities Limited	0.37	-
	Edel Investments Limited	0.07	0.67
	Edelweiss Custodial Services Limited	3.22	51.92



Edelweiss Finance & Investments Limited
Notes to the financial statements (Continued)
(Currency: Indian Rupees in millions)

36 Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures" (continued)

Margin refund received from (refer note 1 below)	Edelweiss Securities Limited	0.60	0.97
	Edel Investments Limited	-	57.31
	Edelweiss Custodial Services Limited	24.93	0.67
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	-	209.19
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	-	320.31
D Other transactions			
Interest Expense on loan taken from	Ecap Equities Limited	4.69	-
	Edelweiss Rural & Corporate Services Limited	46.95	102.15
	Edelweiss Finvest Private Limited	27.55	119.97
Interest received on debt instruments from	ECL Finance Limited	0.37	5.41
	Edelweiss Housing Finance Limited	0.02	-
	Edelweiss Retail Finance Limited	26.70	-
Interest received on margin placed with brokers	Edelweiss Securities Limited	0.01	0.02
	Edelweiss Custodial Services Limited	2.66	3.49
Reimbursement paid to	Edelweiss Rural & Corporate Services Limited	-	1.13
Cost reimbursement paid to	Edelweiss Financial Services Limited	1.76	0.62
	Edelweiss Rural & Corporate Services Limited	7.73	12.97
	Edelweiss Business Services Limited	27.43	26.32
	Edelweiss Broking Limited	2.13	0.46
	Edelweiss Custodial Services Limited	0.12	-
	ECL Finance Limited	0.03	0.01
	Ecap Equities Limited	0.22	0.18
	Auris Corporate Centre Limited	-	0.01
	Burlington Business Solutions Limited	-	0.12
Corporate Guarantee support fee	Edelweiss Financial Services Limited	4.38	2.55
Rating support fees paid to	Edelweiss Financial Services Limited	0.12	0.26
Clearing charges and Stamp duty paid to	^ Edelweiss Securities Limited	0.00	0.18
Commission and brokerage paid to	^ Edelweiss Securities Limited	0.00	0.02
Donation given to	EdelGive Foundation	5.00	4.02
Remuneration payable to executive director (refer note 2 below)	Venkatchalam Ramaswamy	9.40	58.88
Sitting fees paid to non executive director	P.N. Venkatachalam	0.32	0.26
	Vinod Juneja	0.14	0.24
E Balances with related parties			
Liabilities			
Corporate guarantee taken from	Edelweiss Financial Services Limited	916.77	1,243.54
Interest expenses accrued and due on borrowings	Edelweiss Finvest Private Limited	-	26.91
Trade payables to	Edelweiss Financial Services Limited	5.09	3.16
	^ Edelweiss Securities Limited	0.00	-
	Edelweiss Rural & Corporate Services Limited	3.31	3.82
	Edelweiss Business Services Limited	11.63	15.01
	Edelweiss Broking Limited	-	0.50
	Ecap Equities Limited	0.07	-
	Edelweiss Alternative Asset Advisors Limited	-	5.32
	Edelweiss Finvest Private Limited	-	0.53
	Edel Investments Limited	0.72	0.11
	EFSL Commodities Limited	-	0.01
	Edel Land Limited	0.38	-
	ECL Finance Limited	0.23	-
	Edelweiss Asset Reconstruction Company Limited	-	0.01
Unsecured loan taken from	Ecap Equities Limited	4,566.00	-
	Edelweiss Rural & Corporate Services Limited	480.22	169.17
Investments			
Securities held for trading - Debentures of	ECL Finance Limited	2.41	4.45
	Edelweiss Housing Finance Limited	0.15	0.55
	Edelweiss Retail Finance Limited	-	1.98
Payable to Broker	Edelweiss Securities Limited	0.08	-



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

(Currency: Indian Rupees in millions)

36 Disclosure of related parties transactions pursuant to Ind AS 24 "Related Party Disclosures" (continued)

Assets			
Accrued interest income on debentures of	ECL Finance Limited	0.05	0.14
	Edelweiss Retail Finance Limited	-	0.03
	Edelweiss Housing Finance Limited	0.01	0.04
Trade Receivables	^ ECL Finance Limited	0.00	-
	Edelweiss Securities Limited	0.36	89.67
	Edelweiss Rural & Corporate Services Limited	0.02	-
	Edel Land Limited	-	5.47
	Edelweiss Custodial Services Limited	0.15	0.16
	^ EFSL Trading Limited	0.00	-
	Edelweiss Capital Markets Limited	0.14	-
	^ EFSL Comtrade Limited	0.00	-
Other current assets			
Margin Placed with Brokers	Edelweiss Securities Limited	-	4.68
	Edelweiss Custodial Services Limited	93.93	22.23
	Edel Investments Limited	0.07	-
^ - less than Rs. 0.01 million			

Note:

Note 1 : The intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

Note 2 : Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

37. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Pillars of its policy are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from interest rate, equity prices and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Regulatory Capital

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2019	As at March 31, 2018	As at 31 March 2017
Capital Funds			
Net owned funds (Tier I capital)	1,762.88	1,800.92	1,309.46
Tier II capital	470.70	470.70	470.70
Total capital	2,233.58	2,271.62	1,780.16
Total risk weighted assets/ exposures	7,092.27	5,399.27	873.05
% of capital funds to risk weighted assets/exposures:			
Tier I capital	24.86%	33.35%	149.99%
Tier II capital	6.64%	8.72%	53.91%
Total capital Funds	31.50%	42.07%	203.90%

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

A. Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 2.11 for more details on fair value hierarchy

B. Valuation governance framework

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

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	0.18	-	-	0.18
OTC derivatives	-	1.01	-	1.01
Total derivative financial instruments - A	0.18	1.01	-	1.19
Financial Assets held for trading				
Government debt securities	13,679.23	-	-	13,679.23
Other debt securities	-	125.30	-	125.30
Total Financial assets held for trading - B	13,679.23	125.30	-	13,804.53
Total Financial assets measured at fair value (A+B)	13,679.41	126.31	-	13,805.72
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	9.69	-	-	9.69
OTC derivatives	-	260.35	-	260.35
Total derivative financial instruments	9.69	260.35	-	270.04
Total Financial liabilities measured at fair value	9.69	260.35	-	270.04



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	3.29	-	-	3.29
OTC derivatives	-	26.44	-	26.44
Total derivative financial instruments - A	3.29	26.44	-	29.73
Financial Assets held for trading				
Government debt securities	14,406.88	-	-	14,406.88
Other debt securities	-	389.24	-	389.24
Preference Shares	28.76	-	-	28.76
Total Financial assets held for trading - B	14,435.64	389.24	-	14,824.88
Total Financial assets measured at fair value (A+B)	14,438.93	415.68	-	14,854.61
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	20.72	-	20.72
Total derivative financial instruments - A	-	20.72	-	20.72
Total Financial liabilities measured at fair value	-	20.72	-	20.72

As at April 01, 2017	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Total derivative financial instruments - A	-	-	-	-
Financial Assets held for trading				
Government debt securities	14,564.10	-	-	14,564.10
Other debt securities	-	450.27	-	450.27
Preference Shares	-	-	-	-
Total Financial assets held for trading - B	14,564.10	450.27	-	15,014.37
Total Financial assets measured at fair value (A+B)	14,564.10	450.27	-	15,014.37
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	15.02	-	15.02
Total derivative financial instruments	-	15.02	-	15.02
Total Financial liabilities measured at fair value	-	15.02	-	15.02

D. Valuation techniques:

Government debt securities:

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

Debt securities:

Whilst most of these instruments are standard fixed rate securities, fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. The Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded, the Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

Equity instruments and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. The fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract. The Company classify the Interest rate swaps as level 2 instruments.

Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1.

E. There have been no transfers between levels during the year ended March 31, 2018 and March 31, 2018.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

F. Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	1,050.24	1,050.24	-	-	1,050.24
Bank balances other than cash and cash equivalents	53.33	53.33	-	-	53.33
Trade Receivables	6,283.79	-	6,283.79	-	6,283.79
Other Receivables	0.84	-	0.84	-	0.84
Other financial assets	4,353.72	-	4,353.72	-	4,353.72
Total Financial Assets	11,741.92	1,103.57	10,638.35	-	11,741.92
Financial Liabilities					
Trade payables	49.40	-	49.40	-	49.40
Borrowings (other than debt securities)	23,115.17	-	23,115.17	-	23,115.17
Subordinated Liabilities	516.59	-	516.59	-	516.59
Other financial liabilities	32.56	-	32.56	-	32.56
Total Financial Liabilities	23,713.72	-	23,713.72	-	23,713.72

As at March 31, 2018	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	152.96	152.96	-	-	152.96
Bank balances other than cash and cash equivalents	50.02	50.02	-	-	50.02
Trade Receivables	4,563.14	-	4,563.14	-	4,563.14
Other Receivables	95.30	-	95.30	-	95.30
Other financial assets	32.56	-	32.56	-	32.56
Total Financial Assets	4,893.98	202.98	4,691.00	-	4,893.98
Financial Liabilities					
Trade payables	54.64	-	54.64	-	54.64
Borrowings (other than debt securities)	17,569.70	-	17,569.70	-	17,569.70
Subordinated Liabilities	516.59	-	516.59	-	516.59
Other financial liabilities	48.80	-	48.80	-	48.80
Total Financial Liabilities	18,189.73	-	18,189.73	-	18,189.73



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

38. Fair Value measurement:

As at April 01, 2017	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	743.24	743.24	-	-	743.24
Bank balances other than cash and cash equivalents	50.00	50.00	-	-	50.00
Trade Receivables	222.97	-	222.97	-	222.97
Other Receivables	105.23	-	105.23	-	105.23
Other financial assets	57.10	-	57.10	-	57.10
Total Financial Assets	1,178.54	793.24	385.30	-	1,178.54
Financial Liabilities					
Trade payables	39.20	-	39.20	-	39.20
Borrowings (other than debt securities)	14,075.09	-	14,075.09	-	14,075.09
Subordinated Liabilities	516.59	-	516.59	-	516.59
Other financial liabilities	58.79	-	58.79	-	58.79
Total Financial Liabilities	14,689.67	-	14,689.67	-	14,689.67

G Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: bank balances other than cash and cash equivalents, trade and other receivables, other financial assets, trade payables and contract liability without a specific maturity, borrowings (other than debt securities), subordinated liabilities, other financial liabilities. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management

39.A Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate, and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

39.B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Company has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Company centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. ~~The Committee holds regular meetings and report to board on its activities.~~

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

39.C Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

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

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39.D Types of Risks

The Company's risks are generally categorized in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
39.D.1	Credit risk Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
39.D.2	Liquidity risk Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company
39.D.3	Market risk Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee

39.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39.D.1 Credit Risk (continued)

Analysis of risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2019

Particulars	Central & State Government	Financial Services	Agriculture	Industry	Real Estate	Service Sector	Others	Total
Financial Assets								
Cash and cash equivalents	-	1,050.24	-	-	-	-	-	1,050.24
Bank balances other than cash and cash equivalents	-	53.33	-	-	-	-	-	53.33
Derivative financial instruments	-	1.01	-	-	-	-	-	1.01
Securities held for trading	13,679.23	125.30	-	-	-	-	-	13,804.53
Trade receivables	-	6,283.79	-	-	-	-	-	6,283.79
Other receivables	-	0.77	-	-	-	0.07	-	0.84
Other financial assets	-	4,343.65	-	-	-	-	10.07	4,353.72
Total Assets	13,679.23	11,858.09	-	-	-	0.07	10.07	25,547.46

As at March 31, 2018

Particulars	Central & State Government	Financial Services	Agriculture	Industry	Real Estate	Service Sector	Others	Total
Financial Assets								
Cash and cash equivalents	-	152.96	-	-	-	-	-	152.96
Bank balances other than cash and cash equivalents	-	50.02	-	-	-	-	-	50.02
Derivative financial instruments	-	26.44	-	-	-	-	-	26.44
Securities held for trading	14,406.88	343.50	-	48.96	-	25.54	-	14,824.88
Trade receivables	-	-	-	-	-	-	4,563.14	4,563.14
Other receivables	-	89.83	-	-	-	-	5.47	95.30
Other financial assets	-	154.60	-	-	-	-	10.21	164.81
Total Assets	14,406.88	817.35	-	48.96	-	25.54	4,578.82	19,877.55

As at April 1, 2017

Particulars	Central & State Government	Financial Services	Agriculture	Industry	Real Estate	Service Sector	Others	Total
Financial Assets								
Cash and cash equivalents	-	743.24	-	-	-	-	-	743.24
Bank balances other than cash and cash equivalents	-	50.00	-	-	-	-	-	50.00
Securities held for trading	14,564.10	415.06	-	2.62	-	32.59	-	15,014.37
Trade receivables	-	-	-	-	-	-	222.97	222.97
Other receivables	-	105.23	-	-	-	-	-	105.23
Investments	-	0.44	-	-	-	-	-	0.44
Other financial assets	-	56.12	-	-	-	-	0.98	57.10
Total Assets	14,564.10	1,370.09	-	2.62	-	32.59	223.95	16,193.35



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39.D.1 Credit Risk (continued)

Collateral held and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk			Principal type of collateral
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Financial Assets				
Cash and cash equivalents	1,050.24	152.96	743.24	
Bank balances other than cash and cash equivalents	53.33	50.02	50.00	
Derivative financial instruments	1.01	26.44	-	
Securities held for trading	13,804.53	14,824.88	15,014.37	The Company invest in Highly liquid Central/State Government securities & high rated Corporate Bonds
Trade receivables	6,283.79	4,563.14	222.97	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Other receivables	0.84	95.30	105.23	
Investments	-	-	0.44	
Other financial assets	4,353.72	164.81	57.10	
Total	25,547.46	19,877.55	16,193.35	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39.D.2 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-6% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Liquidity cushion			
Triparty Repo	3,900.00	-	-
Debt Securities	125.30	389.24	450.27
Other quoted investments	-	28.76	-
Total Liquidity cushion	4,025.30	418.00	450.27

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Committed Lines from Banks	50.00	50.00	50.00

Analysis of financial assets and liabilities by maturities

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

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

As at March 31, 2019 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	1,050.24	-	-	-	-	-	1,050.24
(b) Bank balances other than cash and cash equivalents	53.33	-	-	-	-	-	53.33
(c) Derivative financial instruments	-	1.01	-	-	-	-	1.01
(d) Securities held for trading	-	13,804.53	-	-	-	-	13,804.53
(e) Receivables							
(i) Trade receivables	-	6,283.79	-	-	-	-	6,283.79
(ii) Other receivables	-	0.84	-	-	-	-	0.84
(f) Other financial assets	4,040.97	312.75	-	-	-	-	4,353.72
Total undiscounted financial assets	5,144.54	20,402.92	-	-	-	-	25,547.46
	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Liabilities							
(a) Derivative financial instruments	-	260.35	-	-	-	-	260.35
(b) Trade payables	-	49.40	-	-	-	-	49.40
(c) Borrowings (other than debt securities)	5,052.27	18,062.90	-	-	-	-	23,115.17
(d) Subordinated Liabilities	-	45.89	-	-	-	470.70	516.59
(e) Other financial liabilities	-	32.56	-	-	-	-	32.56
Total undiscounted financial liabilities	5,052.27	18,451.10	-	-	-	470.70	23,974.07
Total net financial assets / (liabilities)	92.27	1,951.82	-	-	-	(470.70)	1,573.39



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39. Risk Management

39.D.2 Liquidity risk (continued)

As at March 31, 2018 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	152.96	-	-	-	-	-	152.96
(b) Bank balances other than cash and cash equivalents	50.02	-	-	-	-	-	50.02
(c) Derivative financial instruments	-	26.44	-	-	-	-	26.44
(d) Securities held for trading	-	14,824.88	-	-	-	-	14,824.88
(e) Receivables							
(i) Trade receivables	-	4,563.14	-	-	-	-	4,563.14
(ii) Other receivables	-	95.30	-	-	-	-	95.30
(f) Other financial assets	-	51.59	-	-	-	113.22	164.81
Total Financial Assets	202.98	19,561.35	-	-	-	113.22	19,877.55

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Liabilities							
(a) Derivative financial instruments	-	20.72	-	-	-	-	20.72
(b) Trade payables	-	54.64	-	-	-	-	54.64
(c) Borrowings (other than debt securities)	196.08	17,373.62	-	-	-	-	17,569.70
(d) Subordinated Liabilities	-	45.89	-	-	-	470.70	516.59
(e) Other financial liabilities	-	48.80	-	-	-	-	48.80
Total Financial Liabilities	196.08	17,543.67	-	-	-	470.70	18,210.45

Total net financial assets / (liabilities)	6.90	2,017.68	-	-	-	(357.48)	1,660.10
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As at April 1, 2017 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Assets							
(a) Cash and cash equivalents	743.24	-	-	-	-	-	743.24
(b) Bank balances other than cash and cash equivalents	50.00	-	-	-	-	-	50.00
(c) Securities held for trading	-	15,014.37	-	-	-	-	15,014.37
(d) Receivables							
(i) Trade receivables	-	222.97	-	-	-	-	222.97
(ii) Other receivables	-	105.23	-	-	-	-	105.23
(e) Investments	-	-	-	-	-	0.44	0.44
(f) Other financial assets	-	16.32	-	-	-	40.78	57.10
Total Financial Assets	793.24	15,358.89	-	-	-	41.22	16,193.35

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 3 years	More than 3 years	Total
Financial Liabilities							
(a) Derivative financial instruments	-	15.02	-	-	-	-	15.02
(b) Trade payables	-	39.20	-	-	-	-	39.20
(c) Borrowings (other than debt securities)	2,635.10	11,439.99	-	-	-	-	14,075.09
(d) Subordinated Liabilities	-	45.89	-	-	-	470.70	516.59
(e) Other financial liabilities	-	58.79	-	-	-	-	58.79
Total Financial Liabilities	2,635.10	11,598.89	-	-	-	470.70	14,704.69

Total net financial assets / (liabilities)	(1,841.86)*	3,760.00	-	-	-	(429.48)	1,488.66
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* The Company had taken temporary borrowing from its related parties aggregating to Rs. 2,635.10 million leading to a mismatch as at April 1, 2017. The Company as part of its ALCO/ALM activities and post demerger of its lending and investment business had realigned its borrowings and assets profile and had ensured a positive ALM position as at March 31, 2018.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (continued)

39.D.3 Market Risk

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

Total market risk exposure

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Carrying Amount	Traded Risk	Non traded risk		Carrying Amount	Traded Risk	Non traded risk		Carrying Amount	Traded Risk	Non traded risk	Primary risk sensitivity
Financial Assets												
Cash and cash equivalents	1,050.24	-	1,050.24		152.96	-	152.96		743.24	-	743.24	Interest rate
Bank balances other than cash and cash equivalents	53.33	-	53.33		50.02	-	50.02		50.00	-	50.00	Interest rate
Derivative financial instruments	1.01	1.01	-		26.44	26.44	-		-	-	-	Interest rate / security prices
Securities held for trading	13,804.53	13,804.53	-		14,824.88	14,824.88	-		15,014.37	15,014.37	-	Interest rate / security prices
Trade receivables	6,283.79	-	6,283.79		4,563.14	-	4,563.14		222.97	-	222.97	Interest rate
Other receivables	0.84	-	0.84		95.30	-	95.30		105.23	-	105.23	Interest rate
Investments	-	-	-		-	-	-		0.44	-	0.44	
Other financial assets	4,353.72	-	4,353.72		164.81	-	164.81		57.10	-	57.10	
Total Assets	25,547.46	13,805.54	11,741.92		19,877.55	14,851.32	5,026.23		16,193.35	15,014.37	1,178.98	
Financial Liabilities												
Derivative financial instruments	260.35	260.35	-		20.72	20.72	-		15.02	15.02	-	Interest rate / security prices
Trade payables	49.40	-	49.40		54.64	-	54.64		39.20	-	39.20	Interest rate
Borrowings (other than debt securities)	23,115.17	-	23,115.17		17,569.70	-	17,569.70		14,075.09	-	14,075.09	Interest rate
Subordinated Liabilities	516.59	-	516.59		516.59	-	516.59		516.59	-	516.59	Interest rate
Other financial liabilities	32.56	-	32.56		48.80	-	48.80		58.79	-	58.79	
Total Liabilities	23,974.07	260.35	23,713.72		18,210.45	20.72	18,189.73		14,704.69	15.02	14,689.67	



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

39. Risk Management (Continued)

39.E.1 Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at March 31, 2019 and at March 31, 2018.

39.E.2 Interest rate sensitivity

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

	For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact of Interest rate swaps				
Increase / (Decrease) in basis points	25	25	-25	-25
Effect on Profit before tax	64.38	36.25	(64.38)	(36.25)
Effect on Equity	-	-	-	-

39.E.3 Price Risk

The Company does not have investment in quoted equity shares or mutual fund units of equity oriented funds. Accordingly there is no effect on the Company's profitability or equity.

	For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on Interest rate futures				
Increase / (Decrease) in equity price (%)	5%	5%	-5%	-5%
Effect on Profit before tax	(52.48)	(25.85)	52.48	25.85
Effect on Equity	-	-	-	-

39.E.4 Prepayment Risk

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



40. First Time adoption

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

De-recognition of financial assets and liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2017.

Deemed cost for property, plant and equipment, investment property, and intangible assets

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

Share based Payments

The Company has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (April 1, 2017).

Classification and measurement of financial assets:

The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.



40. First Time adoption (continued)

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Total Equity

Particulars	As at March 31, 2018	As at April 1, 2017
Total Equity / Shareholders' Funds as per Previous GAAP	2,308.40	3,681.66
Less: Impact of demerger [Refer note 42.01]	-	(1,929.80)
Adjustments:		
Fair valuation of securities held for trading	20.83	59.78
Preference shares issued to external parties	(470.70)	(470.70)
ESOP cost	37.77	30.61
DTA on fair valuation	(7.28)	(20.68)
Total effect of transition to Ind AS	(419.38)	(400.99)
Total Equity / Shareholders' Funds as per Ind AS	1,889.02	1,350.87

Reconciliation of Total Comprehensive Income for the year ended March 31, 2018

Particulars	Year Ended March 31, 2018
Profit as reported under previous GAAP	212.26
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Fair valuation of securities held for trading	38.95
Preference shares issued to external parties - Dividend	55.24
Fair valuation of employee stock options	4.23
Remeasurement gain on defined benefit plans	0.31
Deferred tax adjustment on above	(13.40)
Total effect of transition to Ind AS	85.33
Net profit as per Ind AS	126.93
Other Comprehensive Income for the year (net of tax) - Items that will not be reclassified to profit or loss	0.31
Total Comprehensive Income as per Ind AS	127.24

Reference notes to reconciliation of Equity and profit & Loss

Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by Rs. 0.31 million and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Share Based Payment

Under the previous GAAP, the cost of ESOPs were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Valuation of Investments/Securities held for trading

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Securities held for trading and long term investment based on intent of holding period and realisability Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments are measured at fair value.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

41.01 Investments

	2019	2018
1) Value of Investments (including securities held for trading)		
i) Gross Value of Investments		
a) In India	13,804.53	14,824.88
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	13,804.53	14,824.88
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

41.02 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	2019	2018
i) The notional principal of swap agreements	25,750.00	14,500.00
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the	1.01	26.44
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps@	100%	100%
v) The fair value of the swap book	(259.34)	5.72

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

B) Exchange Traded Interest Rate (IR) Derivatives

	2019	2018
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	64,171.20	71,860.20
ii) Notional principal amount of exchange traded IR derivatives outstanding	1,070.00	544.40
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

C) Qualitative disclosure for Derivatives

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

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

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

D) Quantitative Disclosures

S.no.	Particulars	2019	2018
		Currency Derivatives	Currency Derivatives
i)	Derivatives (Notional Principal Amount)		
	For hedging	-	-
		26,820.00	15,044.40
ii)	Marked to Market Positions		
	a) Assets (+)	-	1.01
	b) Liability (-)	-	(260.35)
iii)	Credit Exposure	247.50	145.00
iv)	Unhedged Exposures	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41.03 Capital to Risk Assets Ratio (CRAR)

	2019	2018
i. CRAR (%)	31.50%	42.07%
ii. CRAR - Tier I Capital (%)	24.86%	33.35%
iii. CRAR -Tier II Capital (%)	6.64%	8.72%
iv. Amount of subordinated debt raised as Tier-II capital	-	-
v. Amount raised by issue of Perpetual Debt Instruments	-	-

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

During the year ended March 31, 2019 and March 31, 2018, the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI.

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

	2019	2018
A Direct exposure		
i. Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	-	-
ii. Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
iii Investments in Mortgage Residential	-	-
Commercial Real Estate	-	-
B Indirect Exposure Fund based and non-fund based exposures on	-	-
C Others (Not covered)	-	-
Total Exposure	-	-

41.06 Exposure to Capital Market

	2019	2018
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
(ix) Others - Not covered above	-	-
Total exposure	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.07 Asset Liability Management

Maturity pattern of certain assets and liabilities as at March 31, 2019

Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days (one month)	-	23,115.17	-	13,804.53	-
Over one month to 2 months	-	45.89	-	-	-
Over 2 months to 3 months	-	-	-	-	-
Over 3 months to 6 months	-	-	-	-	-
Over 6 months to 1 year	-	-	-	-	-
Over 1 year to 3 years	-	-	-	-	-
Over 3 years to 5 years	-	470.70	-	-	-
Over 5 years	-	-	-	-	-
Total	-	23,631.76	-	13,804.53	-

Maturity pattern of certain assets and liabilities as at March 31, 2018

Particulars	Liabilities		Assets		
	Deposit	Borrowings	Advances	Securities held for trading	Investments
1 day to 30/31 days	-	17,569.70	-	14,824.88	-
Over one month to 2 months	-	45.89	-	-	-
Over 2 months to 3 months	-	-	-	-	-
Over 3 months to 6 months	-	-	-	-	-
Over 6 months to 1 year	-	-	-	-	-
Over 1 year to 3 years	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-
Over 5 years	-	470.70	-	-	-
Total	-	18,086.29	-	14,824.88	-

The asset-liability mismatch for the short term are primarily on account of the trade date accounting followed by the Company for recording the purchase and sale transactions of government securities whereby the sale proceeds aggregating to Rs. 6,283.79 million and Rs. 4,563.14 million are reflected as trade receivables as at March 31, 2019 and March 31, 2018 respectively.

Further, the Company had temporarily deployed its excess liquidity aggregating to Rs. 3,900.00 million as at March 31, 2019 in the Triparty Repo Lending. Accordingly, the Company is well poised to meet its contractual obligations over all the maturity due dates.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.08 Movements in Non Performing Advances:

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

Particulars	2019	2018
i) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
ii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iii) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.09 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.

Particulars	2019	2018
(i) Provisions for depreciation on Investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards Income tax (net of deferred tax)	49.32	(193.13)
(iv) Provision for Standard Assets	-	-
(v) Other Provision and Contingencies (Provision for doubtful debts)	-	-

41.10 Concentration of Deposits, Advances, Exposures and NPAs

	2019	2018
A) Concentration of Advances		
Total advances to twenty largest borrowers	-	-
Percentage of advances to twenty largest borrowers to total advances	0.00%	0.00%
B) Concentration of Exposures		
Total exposures to twenty largest borrowers / customers	-	-
Percentage of exposures to twenty largest borrowers / customers to	0.00%	0.00%
C) Concentration of NPAs		
Total exposures to top four NPAs	-	-
D) Sector-wise NPAs		
Sectors	Percentage of NPAs to	2018
	2019	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

41.11 Customer Complaints

	2019	2018
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

41.12 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)-Nil

41.13 The Company has not restructured any loans and advances during the year ended March 31, 2019 and March 31, 2018.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.14 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities side :

	2019		2018	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures (other than falling within the meaning of public deposits \$)				
i) Secured	-	-	-	-
ii) Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowing	5,052.27	-	196.08	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans:				
Triparty Repo	18,062.90	-	-	-
Collateralised Lending and Borrowing	-	-	17,373.62	-
Preference Share Capital	-	-	-	-
(\$ Please see Note 1 below)				

Assets side :

	Amount Outstanding	
	2019	2018
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	-	-
(b) Unsecured	-	-
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL / HP activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Current Investments:(including securities held for trading)		
I.- Quoted:		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	13,679.23	14,406.88
	125.30	418.00



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41.15 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

(4) Break-up of Investments (Continued)		Amount Outstanding	
		2019	2018
2. Unquoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others (Debt instruments)		-	-
Long Term investments :			
1. Quoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. Unquoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
(a) Warrants		-	-
(b) Units of Fund		-	-
(c) Investment in Security Receipts		-	-
(d) Share Application Money		-	-

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:
As at March 31, 2019

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

As at 31 March 2018

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

41.16 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

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

Category	Market value / Break-up or fair value or NAV		Book value (net of provisions)	
	2019	2018	2019	2018
1. Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
Total	-	-	-	-

** As per Ind AS-24 Related Party Disclosures



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

(7) Other information

Particulars	2019	2018
(i) Gross Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(iii) Assets acquired in satisfaction of debts	-	-

Notes:

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

41.17 Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2019

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	CRISIL AA/Stable	ICRA AA/Stable	-	BWR AA+/Stable
Amount	Rs. 11,150.00	Rs. 16,350.00	-	Rs. 500.00
(ii) Short Term Instruments				
Rating	CRISIL A1+	ICRA A1+	CARE A1+	-
Amount	Rs. 10,000.00	Rs. 10,000.00	Rs. 10,000.00	-
(iii) Market linked debentures				
Short Term				
Rating	CRISIL PP MLD A1+r	ICRA PP MLD A1+	-	-
Amount	Rs. 715.00	Rs. 4,000.00	-	-
Long Term				
Rating	-	ICRA PP MLD AA/Stable	-	-
Amount	-	Rs. 7,000.00	-	-

Ratings assigned by credit rating agencies and migration of ratings during the year ended March 31, 2018

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	CRISIL AA/Stable	ICRA AA/Stable	CARE AA/Stable	BWR AA+/Stable
Amount	Rs. 11,150.00	Rs. 16,350.00	Rs. 1,500.00	Rs. 500.00
(ii) Short Term Instruments				
Rating	CRISIL A1+	ICRA A1+	CARE A1+	-
Amount	Rs. 10,000.00	Rs. 10,000.00	Rs. 10,000.00	-
(iii) Market linked debentures				
Short Term				
Rating	CRISIL PP MLD A1+r	ICRA PP MLD A1+	CARE PP MLD AA/Stable	-
Amount	Rs. 715.00	Rs. 4,000.00	Rs. 3,078.30	-
Long Term				
Rating	-	ICRA PP MLD AA/Stable	-	-
Amount	-	RS. 7,000.00	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

41 Regulatory disclosures - RBI (continued)

41.18 Details of transaction with non executive directors

Sr.	Name of the Non executive director	Nature of Transaction	2019	2018
1	P.N. Venkatachalam	Sitting Fees	0.32	0.26
2	Vinod Juneja	Sitting Fees	0.14	0.24

41.19 The Company has no disclosure in respect of securitisation as there are no financial assets sold to securitisation / reconstruction company

41.20 Unsecured Advances

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

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

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

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

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

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

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

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

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

42 Other disclosures

42.01 Scheme of Arrangement (Demerger):

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

ii) In accordance with the Scheme:

On the Scheme becoming effective with effect from the Appointed date, the Company has transferred all the assets aggregating to Rs.10,214.42 million and Rs. 221.14 million and liabilities aggregating to Rs.8,737.81 and Rs.40.10 million as appearing in the books of Company related to lending business and training centre business respectively at their respective book value as on Appointed Date. Net assets transferred include:

Asset/Liabilities Transferred under Scheme of Demerger	EW Finvest	ELL	Total
Assets			
Financial assets			
Cash and cash equivalents	-	1.84	1.84
Securities held for trading	2,767.46	-	2,767.46
Trade receivables	62.91	16.15	79.06
Other receivables	6.44	0.03	6.47
Loans	1,993.66	-	1,993.66
Investments	1,015.92	-	1,015.92
Other financial assets	123.15	9.02	132.17
Non-financial assets			
Deferred tax assets (net)	151.05	(9.71)	141.34
Property, Plant and Equipment	-	194.19	194.19
Other Intangible assets	-	0.19	0.19
Other non-financial assets	55.00	1.62	56.62
Total Assets (A)	6,175.59	213.33	6,388.92
Liabilities			
Financial liabilities			
Derivative financial instruments	(38.52)	-	(38.52)
Trade payables	304.80	8.92	313.72
Debt securities	5,786.73	-	5,786.73
Borrowings (other than debt securities)	(1,423.13)	(7.73)	(1,430.86)
Deposit	3.90	-	3.90
Subordinated Liabilities	-	-	-
Other financial liabilities	50.00	6.18	56.18
Non-financial liabilities			
Provisions	13.16	9.03	22.19
Other non-financial liabilities	2.04	15.90	17.94
Total Liabilities (B)	4,698.98	32.30	4,731.28
Net assets transferred (A-B)	1,476.61	181.03	1,657.64

iii) The Scheme of arrangement is a tax neutral demerger per the provisions of Section 2(19AA) of the Income Tax Act, 1961 and accordingly, the assets and liabilities as on appointed date were transferred at cost. The resultant companies issued equity shares in consideration for the businesses acquired by them to the shareholders of the Company i.e. Edelweiss Financial Services Limited. Edelweiss Finvest Private Limited issued 8,279,275 equity shares of Rs. 10 each at a premium of Rs 168.35 per equity share aggregating to Rs.1,476.61 million and Edelweiss Land Limited issued 18,103,500 equity shares of Rs. 10 each at par aggregating to Rs. 181.04 million in settlement of the consideration. Accordingly, the reduction in the net worth of the Company of Rs. 1,657.64 million has been reflected as a reduction in the securities premium account in terms of accounting treatment approved in the Scheme.

iv) On account of demerger, The Company has transferred profit/(loss) after tax from April 1, 2016 (appointed date) to March 31, 2017 to EW Finvest and ELL of Rs.286.00 million and Rs.(13.92) respectively; net Rs. 272.08 million has been adjusted to retained earnings.



Edelweiss Finance & Investments Limited

Notes to financial statements (continued)

(Currency : Indian rupees in million)

42 Other disclosures (continued)**42.02 Details of open interest for derivative instruments****42.02(a) Open interest in interest rate derivatives:**

As at March 31, 2019

Benchmark	Notional principal	Terms	Purpose
MIBOR	25,750	Pay fixed Vs. receive floating	Hedging

As at March 31, 2018

Benchmark	Notional principal	Terms	Purpose
MIBOR	14,500	Pay fixed Vs. receive floating	Hedging

42.02(b) Open interest rate futures as at March 31, 2019 with exchange

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	1,900	3,800,000	7,250	14,500,000
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

Open interest rate futures as at March 31, 2018 with exchange

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	2,722	5,444,000
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-

42.03 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2019 (Previous year: Rs Nil).

42.04 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019.

42.05 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

42.06 Statutory Audit

The financial statement for the year ended March 31, 2019 has been audited by S.R. Batliboi & Co LLP Chartered Accountants. The financial statement for the year ended March 31, 2018 have been audited by an another firm of Chartered Accountants.

42.07 The comparative Ind-AS financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Ind-AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 2, 2018 and May 16, 2017 respectively, have expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind-AS, which have been audited by the Statutory Auditors.

42.08 As of the date of signing of financial statement, the Company has all the KMPs as per the Companies Act, 2013 except Company Secretary. The Company Secretary resigned effective April 18, 2019. The company is in the process of filling up the vacancy.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

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

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

For and on behalf of the Board of Directors



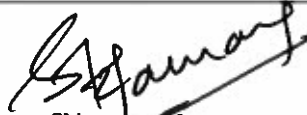
per Shrawan Jalan
Partner
Membership No: 102102



Venkatchalam Ramaswamy
Executive Director
DIN: 00008509



S Ranganathan
Executive Director
DIN: 00125493



Shivaraman Iyer
Chief Financial Officer

Mumbai
May 13, 2019



Mumbai
May 13, 2019