

Edelweiss Retail Finance Limited

Financial Statements
together with the
Independent Auditor's Report
for the year ended 31 March 2016

Edelweiss Retail Finance Limited

Financial Statements together with the Independent Auditor's report

for the year ended 31 March 2016

Contents

Independent Auditor's report

Balance sheet

Statement of Profit and loss

Cash flow statement

Notes to the financial statements

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Edelweiss Retail Finance Limited

Report on the financial statements

We have audited the accompanying financial statements of Edelweiss Retail Finance Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Independent Auditor's Report (Continued)

Edelweiss Retail Finance Limited

Auditor's responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profits and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

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

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



Independent Auditor's Report (Continued)

Edelweiss Retail Finance Limited

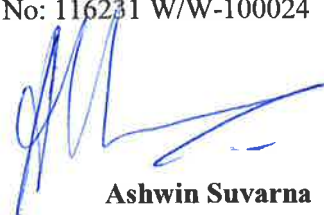
Report on other legal and regulatory requirements (Continued)

- e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - 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 long term derivative contracts - Refer Note 2.30 to the financial statements; and
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Associates LLP

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
12 May 2016

Edelweiss Retail Finance Limited

Annexure A to the Independent Auditor's Report - 31 March 2016

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is a service company primarily engaged in the business of giving loans. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/ services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of customs, duty of excise, value added tax, employees' state insurance and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of provident fund, income tax, service tax, and other material statutory dues which have not been deposited with appropriate authorities on account of any disputes.
- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in the repayment of outstanding dues to financial institution, bank, government or debenture holder during the year.

Edelweiss Retail Finance Limited

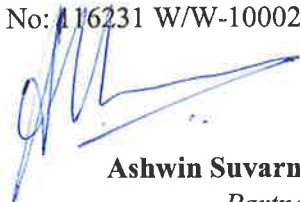
Annexure A to the Independent Auditor's Report - 31 March 2016 (Continued)

- ix. According to the information and explanations given to us and based on our examination of records of the Company, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year in accordance with Section 42 of Companies Act 2013 and the amount raised have been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company has registered as required, under section 45-IA of Reserve Bank of India Act, 1934.

For **B S R & Associates LLP**

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
12 May 2016

Edelweiss Retail Finance Limited

Annexure B to the Independent Auditor's Report - 31 March 2016

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

We have audited the internal financial controls over financial reporting of Edelweiss Retail Finance Limited (the "Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Edelweiss Retail Finance Limited

Annexure B to the Independent Auditor's Report - 31 March 2016 (Continued)

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

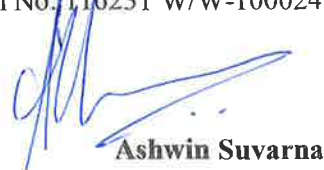
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Associates LLP
Chartered Accountants

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



Ashwin Suvarna
Partner

Membership No: 109503

Mumbai
12 May 2016

Edelweiss Retail Finance Limited

Balance Sheet

as at 31 March 2016

(Currency : Indian Rupees in Million)

EQUITY AND LIABILITIES

Shareholders' funds

(a) Share capital	2.1	299.50	156.59
(b) Reserves and surplus	2.2	2,311.13	1,078.88
		<u>2,610.63</u>	<u>1,235.47</u>

Non-current liabilities

(a) Long-term borrowings	2.3	7,726.86	3,540.00
(b) Deferred tax liabilities (Net)	2.4	-	2.52
(c) Other long-term liabilities	2.5	93.98	27.30
(d) Long-term provisions	2.6	49.39	11.47

Current liabilities

(a) Short-term borrowings	2.7	556.35	502.86
(b) Trade payables	2.8	172.53	47.96
(c) Other current liabilities	2.9	3,257.38	277.38
(d) Short-term provisions	2.10	72.04	35.24

TOTAL

<u>14,539.16</u>	<u>5,680.20</u>
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ASSETS

Non-current assets

(a) Fixed assets			
(i) Tangible assets	2.11	1.71	0.38
(ii) Intangible assets	2.11	0.10	-
(iii) Intangibles under development		1.10	-
(b) Deferred tax assets (net)	2.4	10.74	-
(c) Long-term loans and advances	2.12	8,008.42	4,195.48
(d) Other non-current assets	2.13	1.87	-
		<u>8,023.94</u>	<u>4,195.86</u>

Current assets

(a) Cash and bank balances	2.14	140.29	14.60
(b) Short-term loans and advances	2.15	6,196.17	1,412.36
(c) Other current assets	2.16	178.76	57.38
		<u>6,515.22</u>	<u>1,484.34</u>

TOTAL

<u>14,539.16</u>	<u>5,680.20</u>
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Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For BSR & Associates LLP

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

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



Anil Kothuri

Director

DIN: 00177945



Shalinee Mimani

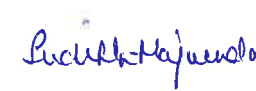
Director

DIN: 07404075



Vineet Mahajan

Chief Financial Officer



Sudipta Majumdar

Company Secretary

Mumbai

12 May 2016

Mumbai

12 May 2016

Edelweiss Retail Finance Limited

Statement of Profit and Loss

for the year ended 31 March 2016

(Currency : Indian Rupees in Million)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee and commission income	2.17	80.97	18.87
Interest income	2.18	1,532.57	433.32
Other income	2.19	1.18	0.30
Total Revenue		1,614.72	452.49
Expenses			
Employee benefit expenses	2.20	49.32	32.17
Finance costs	2.21	793.16	184.98
Depreciation ^	2.11	0.55	0.00
Other expenses	2.22	392.40	117.37
Total expenses		1,235.43	334.52
Profit before tax		379.29	117.97
Tax expense:			
(1) Current tax[includes short provision for earlier years Rs. 8.23 million (Previous year Rs nil)].		145.53	39.18
(2) Deferred tax (Net)		(13.26)	2.23
Profit for the year		247.02	76.56
^ - Amount is less than 0.01 million.			
Earnings per equity share (Face value Rs. 10 each): Basic and diluted (in rupees)	2.25	12.28	6.72

Significant accounting policies and notes to the financial statements 1 & 2

As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firms' Registration No. 116231W/W-100024

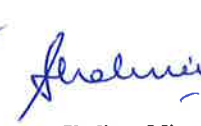


Ashwin Suvarna
Partner
Membership No: 109503

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



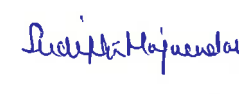
Anil Kothuri
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DIN: 00177945



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DIN: 07404075



Vineet Mahajan
Chief Financial Officer



Sudipta Majumdar
Company Secretary

Mumbai
12 May 2016

Mumbai
12 May 2016

Edelweiss Retail Finance Limited

Cash Flow Statement

for the year ended 31 March 2016

(Currency : Indian Rupees in Million)

A Cash flow from operating activities

	For the year ended 31 March 2016	For the year ended 31 March 2015
Profit before tax	379.29	117.97
<i>Adjustments for</i>		
Depreciation ^	0.55	0.00
Provision for compensated absences	0.77	0.02
Provision for standard assets	28.00	12.71
Provision for Restructured advances	1.25	-
Provision for non performing assets	26.69	1.40
Provision for credit loss on securitisation	5.60	-
Bad- debts and advances written off	1.78	-
Amortised loan processing fees	(64.22)	(15.97)
Amortised loan origination cost	90.48	24.87
Interest on income tax refund	(0.05)	-
Operating cash flow before working capital changes	470.14	141.00
Add / (Less): Adjustments for working capital changes		
Increase in receivable from financing business (refer note 1 below)	(8,444.92)	(4,888.75)
Increase in other loans and advances	(242.66)	(108.66)
Increase in other current assets	(123.24)	(53.68)
Increase in liabilities and provisions	751.09	344.41
Cash used in operations	(7,589.58)	(4,565.68)
Income taxes paid	(134.82)	(8.04)
Net cash used in operating activities - A	(7,724.40)	(4,573.72)

B Cash flow from investing activities

Purchase of Fixed asset	(3.08)	(0.38)
Net cash used in investing activities - B	(4.86)	(0.38)

C Cash flow from financing activities

Proceeds from issue of equity shares	1,128.14	949.53
Proceeds from long-term borrowings (refer note 1 below)	4,186.86	3,390.00
Proceeds from short-term borrowings (Net of repayment)	2,539.95	246.82
Net cash generated from financing activities - C	7,854.95	4,586.35
Net Increase in cash and cash equivalents (A+B+C)	125.69	12.25
Cash and cash equivalents as at the beginning of the year	14.60	2.35
Cash and cash equivalents as at the end of the year (refer note 2.14)	140.29	14.60

Notes:

- Net figures have been reported on account of volume of transactions.
- ^ - Amount is less than 0.01 million.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firms' Registration No. 116231W/W-100024



Ashwin Suvarna
Partner

Membership No: 109503

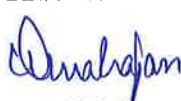
For and on behalf of the Board of Directors
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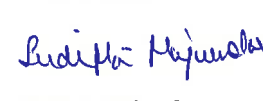
Anil Kothuri
Director
DIN: 00177945



Shalinee Mimani
Director
DIN: 07404075



Vineet Mahajan
Chief Financial Officer



Sudipta Majumdar
Company Secretary

Mumbai
12 May 2016

Mumbai
12 May 2016

Edelweiss Retail Finance Limited

Notes to the financial statements

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Use of estimates

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

1.3 Current-non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of the liability



Edelweiss Retail Finance Limited

Notes to the financial statements (*Continued*)

that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

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

1.4 Revenue recognition

- a. Fees Income including processing fees (other than small & medium enterprises loans) are accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b. In case of small & medium enterprises loans, processing fees collected are amortised over a pre-determined tenor arrived on an industry average or original contractual tenor, whichever is shorter. The unamortised balance is disclosed under "Other current liabilities" and "Other long term liabilities" based on amortisable tenor. In the event of a loan being foreclosed or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure or write off.
- c. Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, wherein it is accounted on realisation, as per RBI guidelines. Loans are repaid by way of Equated Monthly Instalments (EMIs), which comprise of principal and interest. Interest is calculated on outstanding balance at the beginning of a month. EMIs generally commence only after the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is charged every month and is accounted on accrual basis.
- d. Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- e. Dividend income is recognised when the right to receive payment is established.
- f. Penal interest income on delayed EMI or Pre-EMI is recognized on receipt basis.
- g. Charges levied like cheque bouncing charges, loan conversion charges etc are recognized on receipt basis.

1.5 Provisioning on receivables from financing business

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

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

1.6 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment if any. The cost of fixed assets comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of



Edelweiss Retail Finance Limited

Notes to the financial statements (*Continued*)

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

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

Intangible fixed assets

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

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

1.7 *Employee benefits*

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

Provident fund

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

Compensated Absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.



Edelweiss Retail Finance Limited

Notes to the financial statements (*Continued*)

1.8 *Impairment of assets*

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of the assets net selling price and the value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.9 *Investments*

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

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

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

1.10 *Loan origination costs*

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

1.11 *Taxation*

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

Current tax

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

Deferred tax

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

Minimum Alternate Tax (MAT)

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

1.12 Earnings per share

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

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

1.13 Provisions and contingencies

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

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

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees in Million)

2.1 Share capital

Authorised:

50,000,000 (Previous year: 30,000,000) Equity Shares of Rs. 10 each

As at
31 March 2016

As at
31 March 2015

500.00 300.00

500.00 300.00

Issued, Subscribed and Paid up::

29,950,000 (Previous year: 15,658,833) Equity Shares of Rs. 10 each, fully paid up

299.50 156.59

299.50 156.59

Reconciliation of shares at the beginning and at the end of the reporting period

Equity Shares of Rs 10 each fully paid

Outstanding at the beginning of the year

Shares issued during the year

Outstanding at the end of the year

As at 31 March 2016		As at 31 March 2015	
Number of shares	Amount	Number of shares	Amount
15,658,833	156.59	2,998,500	29.99
14,291,167	142.91	12,660,333	126.60
29,950,000	299.50	15,658,833	156.59

Shares in the Company held by each shareholder holding more than 5% shares specifying the number of shares held

Edelcap Securities Limited, the holding company

Edelweiss Financial Services Limited

As at 31 March 2016		As at 31 March 2015	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
25,258,333	84.34%	15,658,833	100%
4,691,667	15.66%	-	-
29,950,000	100.00%	15,658,833	100%

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

Equity Shares of Rs 10 each fully paid

Edelcap Securities Limited

Edelweiss Financial Services Limited

As at 31 March 2016		As at 31 March 2015	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
25,258,333	84.34%	15,658,833	100%
4,691,667	15.66%	-	-
29,950,000	100.00%	15,658,833	100%

Rights, preferences and restriction attached to equity shares:

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

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees in Million)

2.2 Reserves and surplus

	As at 31 March 2016	As at 31 March 2015
Capital Reserve	8.18	8.18
Securities Premium Account		
Opening balance	992.85	169.93
Add : Additions during the year	985.23	822.92
	1,978.08	992.85
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India *		
Opening balance	15.66	0.35
Add : Additions during the year	49.41	15.31
	65.07	15.66
Surplus in statement of profit and loss		
Opening Balance	62.19	0.94
Add: Net profit for the year	247.02	76.56
	309.21	77.50
Amount available for appropriation		
Appropriations:		
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	49.41	15.31
	259.80	62.19
	2,311.13	1,078.88

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees in Million)

	As at 31 March 2016	As at 31 March 2015
2.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures (refer note 2.32)	3,000.00	250.00
[Secured by pari passu charge on immovable property and loans and advance]		
Term loans from bank (refer note 2.33)	4,296.86	500.00
[Secured by pari passu charge on receivables of the company]		
	<u>7,296.86</u>	<u>750.00</u>
<u>Unsecured</u>		
Loans from related parties	290.00	2,790.00
[These loans are at an interest rate of 12 per cent p.a. repayable after the end of one year but before the end of three years, as mutually agreed]		
Non-convertible redeemable subordinated debt (refer note 2.31)	140.00	-
	<u>7,726.86</u>	<u>3,540.00</u>
2.4 Deferred tax		
<u>Deferred tax liabilities</u>		
Amortised loan origination costs	60.70	25.33
Difference between book and tax depreciation ^	-	0.00
Total	60.70	25.33
<u>Deferred tax assets</u>		
Provision for standard assets	14.45	4.94
Amortised processing fees	43.60	17.36
Provision for Gratuity	0.73	0.01
Disallowances under section 43B of the Income Tax Act, 1961	0.28	0.01
Difference between book and tax depreciation	0.11	-
Provision for non performing asset	12.27	0.49
Total	71.44	22.81
Deferred Tax Asset	(B - A)	-
Deferred Tax Liability	(A - B)	2.52
^ - Amount is less than Rs. 0.01 million		
2.5 Other long-term liabilities		
Unamortised processing fees	65.33	27.30
Interest accrued but not due on borrowings	26.78	-
Unrealised gain on loan transfer transactions	1.87	-
	<u>93.98</u>	<u>27.30</u>
2.6 Long-term provisions		
Provision for employee benefits		
Gratuity (refer note 2.26 B)	2.11	0.03
Compensated leave absences	0.63	0.01
Provision for non performing assets	5.96	0.60
Provision for standard assets	33.34	10.33
Provision for restructured loan	1.75	0.50
Provision for credit loss on securitisation	5.60	-
	<u>49.39</u>	<u>11.47</u>



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees in Million)

	As at 31 March 2016	As at 31 March 2015
2.7 Short-term borrowings		
<u>Secured</u>		
Bank overdraft	460.24	100.00
[Secured by pari pasu charge on receivables of the company]		
Loans from a related party (repayable on demand)	96.11	402.86
	<u>556.35</u>	<u>502.86</u>
2.8 Trade payables		
Trade payables to micro, small and medium enterprises	-	-
Others	172.53	47.96
(includes sundry creditors, provision for expenses and customer payables)		
	<u>172.53</u>	<u>47.96</u>
2.9 Other current liabilities		
Current maturities of Long Term Debt		
Term loan from bank (refer note 2.33)	486.46	-
Non-convertible debentures (refer note 2.32)	2,000.00	-
Interest accrued but not due on borrowings	278.55	0.07
Interest accrued and due on borrowings	7.16	15.58
Income received in advance	1.08	-
Unamortised processing fees	60.64	22.87
Other Payables		
Accrued salaries and benefits	15.78	25.02
Withholding taxes, service tax and other taxes payable	17.25	7.55
Bank overdraft	367.40	206.29
Provision for capital expenditure	0.11	-
Others	0.24	-
Unrealised gain on loan transfer transactions	22.71	-
	<u>3,257.38</u>	<u>277.38</u>
2.10 Short-term provisions		
Provision for employee benefits		
Gratuity (refer note 2.26 B)	-	-
Compensated absences	0.17	0.01
Others		
Provision for non performing assets	22.13	0.81
Provision for standard assets	8.44	3.45
Provision for taxation (Net of advance tax Rs.145.93 million, Previous year:Rs.9.90 million)	41.30	30.97
	<u>72.04</u>	<u>35.24</u>



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)
as at 31 March 2016

(Currency : Indian Rupees in Million)

2.11 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 April 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April 2015	Charge for the year	As at 31 March 2016	As at 31 March 2015
Tangible assets								
Land	0.37	-	-	0.37	-	-	0.37	0.37
Vehicles	-	1.28	-	1.28	-	0.36	0.92	-
Office equipment ^	0.01	0.49	-	0.50	0.00	0.18	0.32	0.01
Computers	-	0.11	-	0.11	-	0.01	0.10	-
Total : A	0.38	1.88	-	2.26	0.00	0.55	1.71	0.38
Intangible assets								
Computer software ^	-	0.10	-	0.10	-	0.00	0.10	-
Total : B	-	0.10	-	0.10	-	0.00	0.10	-
Grand Total [A+B]	0.38	1.98	-	2.36	0.00	0.55	1.81	0.38
Previous Year	-	0.38	-	0.38	-	0.00	0.38	-

^ - amount is less than Rs. 0.01 million.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees in Million)

	As at 31 March 2016	As at 31 March 2015
2.12 Long-term loans and advances		
<u>Secured</u>		
(considered good, unless stated otherwise)		
Receivable from financing business		
- considered good	7,753.65	2,465.21
	<u>7,753.65</u>	<u>2,465.21</u>
<u>Unsecured</u>		
(considered good, unless stated otherwise)		
Receivables from financing business		
- considered good	151.88	1,689.69
- considered non performing assets	15.62	0.60
Security Deposits		
Rental deposits	1.49	1.16
Other loans and advances		
Unamortised loan origination and NCD costs	85.73	38.63
Advance income taxes (net of provision for Tax Rs 0.58 million, Previous year Rs. 0.17 million)	0.05	0.19
	<u>254.77</u>	<u>1,730.27</u>
	<u><u>8,008.42</u></u>	<u><u>4,195.48</u></u>
2.13 Other non-current assets		
Deferred Consideration on loan transfer transactions	1.87	-
	<u>1.87</u>	<u>-</u>



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian Rupees in Million)

	As at 31 March 2016	As at 31 March 2015
2.14 Cash and bank balances		
Cash and Cash equivalents		
- in Current accounts	140.29	14.60
	<u>140.29</u>	<u>14.60</u>
2.15 Short-term loans and advances		
<u>Secured</u>		
(considered good, unless stated otherwise)		
Receivable from financing business		
- considered good	516.38	119.33
<u>Unsecured</u>		
(considered good, unless stated otherwise)		
Receivables from financing business		
- considered good	5,497.81	1,231.42
- considered non performing assets	24.14	0.81
	<u>5,521.95</u>	<u>1,232.23</u>
Loans and advances to related party	-	7.50
Other loans and advances		
Deposits- others	0.13	-
Prepaid expenses	0.11	0.02
Unamortised loan origination and NCD costs	89.66	34.56
Input tax credit	14.94	-
Advance income taxes (net of provision for Tax Rs. Nil, Previous year Rs.0.06 million)	-	0.21
Advances recoverable in cash or in kind or for value to be received	53.00	18.51
	<u>5,679.79</u>	<u>1,293.03</u>
	<u>6,196.17</u>	<u>1,412.36</u>
2.16 Other current assets		
Accrued interest on loans	5.43	0.33
Accrued interest on loans not due	150.62	57.05
Deferred Consideration on loan transfer transactions	22.71	-
	<u>178.76</u>	<u>57.38</u>



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency : Indian Rupees in Million)		For the year ended 31 March 2016	For the year ended 31 March 2015
2.17	Fee and commission income		
	Loan processing fees and other fees	80.97	18.87
		<u>80.97</u>	<u>18.87</u>
2.18	Interest Income		
	On loans	1,532.53	433.32
	On others	0.04	-
		<u>1,532.57</u>	<u>433.32</u>
2.19	Other income		
	Miscellaneous income	1.18	0.30
		<u>1.18</u>	<u>0.30</u>



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency : Indian Rupees in Million)		For the year ended 31 March 2016	For the year ended 31 March 2015
2.20	Employee benefits expense		
	Salaries and wages (refer note 2.28)	45.95	31.84
	Contribution to provident and other funds	2.60	0.32
	Staff welfare expenses	0.77	0.01
		49.32	32.17
2.21	Finance costs		
	Interest on debentures	291.40	0.07
	Interest on Subordinate debt	13.68	-
	Interest on term loan	163.82	0.77
	Interest on bank overdraft	6.90	0.48
	Interest on loan from related party	271.71	180.59
	Discount on non convertible debentures	6.33	-
	Bank charges	35.50	1.38
	Interest - others	3.82	1.69
		793.16	184.98
2.22	Other expenses		
	Advertisement and business promotion	1.90	-
	Auditors' remuneration (refer below)	0.81	0.24
	Bad- debts and advances written off	1.78	-
	Commission and brokerage	0.08	0.05
	Communication	0.36	-
	Computer software	0.23	-
	Donation	0.05	-
	Electricity charges (refer note 2.28)	0.60	0.10
	Insurance	-	0.06
	Legal and professional fees	159.63	66.85
	Loan origination costs amortised	90.48	24.87
	Office expenses	2.87	0.16
	Printing and stationery	0.73	0.26
	Provision for standard assets	28.00	12.71
	Provision for restructured advance	1.25	0.50
	Provision for non performing assets	26.69	0.90
	Provision for credit loss on securitisation	5.60	-
	Rates and taxes ^	0.19	0.00
	Rating Support Fees	28.50	-
	Rent (refer note 2.28)	7.30	0.90
	Repairs and maintenance - others	0.20	0.01
	ROC expenses	1.61	1.94
	Service tax expenses	21.85	4.05
	Stamp duty	7.88	3.29
	Travelling and conveyance	3.02	0.35
	Miscellaneous expenses	0.79	0.13
		392.40	117.37
	^ - Amount is less than Rs. 0.01 million.		
	Auditors' remuneration:		
	For statutory audit	0.70	0.22
	For other services (certification)	0.08	0.02
	For reimbursement of expenses	0.03	-
		0.81	0.24



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
(Currency: Indian rupees in Million)

2.23 Segment reporting

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

2.24 Related Parties as per AS 18

i. List of related parties and relationship:

Name of related parties by whom control is exercised	Edelcap Securities Limited -Holding company Edelweiss Financial Services Limited – Ultimate holding company
Fellow Subsidiaries (with whom transactions have taken place)	Auris Corporate Centre Limited ECL Finance Limited Edelcap Securities Limited EdelGive Foundation Edelweiss Commodities Services Limited Edelweiss Financial Services Limited Edelweiss Housing Finance Limited Edelweiss Securities Limited Edelweiss Web Services Limited EFSL Commodities Limited
Key Management Personnel	Mr. Arun Kumar Nayyar

ii. Transactions with related parties :

Nature of Transaction	Related Party Name	2016	2015
Capital Account Transaction during the year:			
Equity shares issued to	Edelcap Securities Limited	96.00	126.60
	Edelweiss Financial Services Limited	46.92	
Securities premium received from	Edelcap Securities Limited	623.97	822.92
	Edelweiss Financial Services Limited	361.26	
Current account transactions:			
Loans taken from (refer note 1)	Edelweiss Financial Services Limited	2,426.90	3,556.16
	EFSL Commodities Limited	-	3,150.00
Loans repaid to (refer note 1)	Edelweiss Financial Services Limited	2,733.65	3,559.36
	EFSL Commodities Limited	2,500.00	644.46
Repayment of loans by (refer note 1)	Edelweiss Securities Limited	7.50	20.00
Interest expenses	Edelweiss Financial Services Limited	120.19	166.28
	EFSL Commodities Limited	151.52	14.32
Advisory fees paid to	Edelweiss Housing Finance Limited	57.51	24.91
Interest received on loan from	Edelweiss Securities Limited	0.39	1.43
Reimbursement paid to	Edelweiss Financial Services Limited	180.88	24.57
	Edelweiss Web Services Limited	0.01	0.02
Cost reimbursement paid to	Edelweiss Financial Services Limited	13.70	
	Edelweiss Web Services Limited	0.06	
	Edelweiss Commodities Services Limited	1.74	0.99



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
(Currency: Indian rupees in Million)

(ii) Transactions with related parties (Continued)

Nature of Transaction	Related Party Name	2016	2015
Rent paid to	Auris Corporate Centre Limited	3.88	-
Donation	EdelGive Foundation	0.05	-
Rating fee paid	Edelweiss Financial Services Limited	28.50	-
Remuneration paid to (refer note 2)	Mr. Arun Kumar Nayyar	7.36	-
Director nomination deposit received from	Edelcap Securities Limited	0.10	0.10
Balances with related parties:			
Liabilities			
Short term borrowings from (refer note 1)	Edelweiss Financial Services Limited	96.11	402.86
Long term borrowings from (refer note 1)	EFSL Commodities Limited	290.00	2,790.00
Interest accrued and due on borrowings from	Edelweiss Financial Services Limited	5.45	2.70
	EFSL Commodities Limited	1.70	12.88
Trade payables	Edelweiss Housing Finance Limited	60.10	25.50
	Edelweiss Financial Services Limited	32.63	0.08
	Edelweiss Web Services Limited	0.07	0.01
	Edelweiss Commodities Services Limited	-	0.01
	Edelcap Securities Limited	0.10	0.10
	Auris Corporate Centre Limited	4.05	-
Assets			
Loans and advances			
Unsecured	Edelweiss Securities Limited	-	7.50
Accrued interest income on loans given to	Edelweiss Securities Limited	-	0.04
Receivable from party	ECL Finance Limited	1.17	-
Remuneration payable to (refer note 2)	Mr. Arun Kumar Nayyar	7.00	-
Off Balance sheet item			
Corporate guarantee taken from	Edelweiss Financial Services Limited	200.00	250.00

Note 1: The Intra group company loans are generally in the nature of revolving demand loans. Loan given to /taken from/repaid to 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. These are included on cash basis.

2.25 Earnings per share

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

Particulars	2016	2015
a) Shareholders earnings (as per statement of profit and loss)	247.02	76.56
b) Calculation of weighted average number of Equity Shares of Re 10 each:		
- Number of equity shares outstanding at the beginning of the year	15,658,833	2,998,500
- Number of equity shares issued during the year	14,291,167	12,660,333
Total number of equity shares outstanding at the end of the year	29,950,000	15,658,833
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	20,112,730	11,399,777
Basic and diluted earnings per share (in Rupees) (a/b)	12.28	6.72

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares issued or outstanding as at 31 March 2016 and as at 31 March 2015.



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
(Currency: Indian rupees in Million)

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

A) Defined contribution plan (Provident fund):

Amount of Rs.1.69 million (previous year: Rs.0.28 million) is recognised as expenses and included in "Employee benefit expenses".

B) Defined benefit plan (Gratuity):

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

Statement of profit and loss

Net employee benefit expenses (recognized in employee cost)

	2016	2015
Current service cost	0.60	0.01
Interest on defined benefit obligation	0.09	-
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial losses	0.22	0.02
Total included in 'Employee Benefit Expenses'	0.91	0.03

Balance Sheet

Changes in the present value of the defined benefit obligation (DBO) are as follows:

	2016	2015
Present value of DBO at start of year	0.03	-
Interest cost	0.09	-
Current service cost	0.60	0.01
Employee Transfer in adjustment	1.17	-
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefit paid	-	-
Actuarial (gain)/loss:	0.22	0.02
Present value of DBO at end of year	2.11	0.03

Changes in the fair value of plan assets are as follows:

	2016	2015
Fair value of plan assets at the beginning of the year	-	-
Acquisition adjustment	-	-
Expected return on plan asset	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss):	-	-
Fair value of plan assets at the end of the year	-	-

Amount recognised in the balance sheet:

	2016	2015
Present value of DBO	2.11	0.03
Fair value of plan assets	-	-
Amount recognised in balance sheet - assets/(liability)	(2.11)	(0.03)

Experience adjustment :

	2016	2015
On plan liabilities: (gain)/ loss	0.17	-
On plan assets: gain/ (loss)	-	-
Estimated contribution for next year	-	-

Principle actuarial assumptions at the balance sheet date:

	2016	2015
Discount rate current	7.40%	7.80%
Salary escalation current	7.00%	7.00%
Employees attrition rate (based on categories)	13-60%	13-60%



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.27 Contingent liabilities and commitments

- a) The Company has no contingent liabilities as at the balance sheet date is Nil (Previous year: Nil).
Corporate guarantee given by the Company in relation to assignment transaction is Rs. 22.22 million (Previous year : Nil)

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with income tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

- b) Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for is Rs. 0.90 million (Previous Year Rs.0.12 million).
- c) Undrawn committed credit lines Rs. 336.94 million as at balance sheet date (Previous year: Rs. 83.22 million).

2.28 Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, rent expenditure, etc. which is for the benefit of itself and its certain subsidiaries including Edelweiss Retail Finance Limited. This cost so expended is reimbursed by Edelweiss Retail Finance Limited on the basis of number of employees, area occupied, time spent by employees for other companies, actual identifications etc.

2.29 Details of dues to micro, small and medium enterprises

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

- 2.30 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 has been made in the books of accounts. The Company has not entered into any derivatives contracts during the year.

2.31 Details of unsecured debentures issued

Details of the unsecured debentures issued as at 31 March 2016

Rate of interest	> 3 Years	2 - 3 Years	1 - 2 Years	< 1 Year	Total
11.50%	140.00	-	-	-	140.00

2.32 Details of secured debentures issued

Following are details of the repayment terms of secured debentures issued

As at 31 March 2016

Rate of interest	> 2 Years	1 - 2 Years	< 1 Year	Total
Zero coupon bond	-	250.00	-	250.00
9%	2,000.00	750.00	2,000.00	4,750.00
Total	2,000.00	1,000.00	2,000.00	5,000.00

As at 31 March 2015

Rate of interest	> 2 Years	1 - 2 Years	< 1 Year	Total
Zero coupon bond	-	250.00	-	250.00
Total	-	250.00	-	250.00

- b) Debenture redemption reserve is not created for 5,000 Secured redeemable non convertible debentures of face value of Rs. 1,000,000/- each pursuant to the Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules, 2014 exempting NBFCs from creation of debenture redemption reserve in respect of privately placed debentures.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.32 Details of secured debentures issued (Continued)

c) Debt equity and asset cover Ratio:

i) Debt equity ratio		2016	2015
Shareholder's fund			
Paid up capital-equity		299.50	156.59
Add: Reserve and surplus		2,311.13	1,078.88
Less: Deferred tax asset		10.74	-
Equity	(A)	2,599.89	1,235.47
Debt			
Long-term borrowings		7,726.86	3,540.00
Short-term borrowings		556.35	502.86
Current maturities of secured long term debt		2,486.46	-
Debt	(B)	10,769.67	4,042.86
Debt equity ratio	(B/A)	4.14	3.27

ii) Asset cover ratio		2016	2015
Assets available			
Loans and advances	(A)	13,959.49	5,514.56
Secured debt			
Long-term secured borrowings		7,296.86	750.00
Short-term secured borrowings		460.24	100.00
Current maturities of secured long term debt		2,486.46	-
Total	(B)	10,243.56	850.00
Asset cover	(A/B)	1.36 :1	6.49:1

2.33 Details of term loan from bank

As at 31 March 2016		Maturity		
Rate of interest	< 1 Year	1 - 3 Years	> 3 Years	Total
9.00% to 10%	100.00	175.00	-	275.00
10.00% to 11.00%	386.46	2,274.98	1,846.88	4,508.31
Total	486.46	2,449.98	1,846.88	4,783.31

As at 31 March 2015		< 1 Year	1 - 3 Years	> 3 Years	Total
Rate of interest					
11.25%			250.00	250.00	500.00
Total		-	250.00	250.00	500.00

2.34 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2016 (Previous year: Rs Nil).

2.35 Key ratios

The following table sets forth, for the periods indicated, the key financial ratios

	2016	2015
Gross NPAs as a percentage of total advance	0.28%	0.03%
Net NPAs as a percentage of total advance	0.07%	0.00%
Book value per share (Rs.) ¹	86.81	78.90
Current ratio ²	1.61	1.72
Debt to equity ratio (refer note 2.32) ³	4.14	3.27
Return on average equity ⁴ (%)	13.48%	13.86%
Return on average assets ⁵ (%)	2.44%	2.42%

1. Book value per share = Equity share capital (+) Reserves and surplus (-) Deferred tax assets / Outstanding number of equity shares.

2. Current ratio = Current assets / Current liabilities.

3. Debt-Equity ratio = Total Debt / Total Equity

Debt = Long term borrowings (+) Short term borrowings (+) Current maturity of long term borrowings

Total Equity = Equity Share Capital (+) Reserves and Surplus (-) Deferred tax asset

4. Return on average equity = Profit for the year / [Annual average equity share capital (+) Annual average reserves and surplus less Deferred tax asset].

5. Return on average assets = Profit for the year / Annual average total assets.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.36 Banking facilities

The Company has obtained borrowing facilities from below mentioned banks:

1	Kotak Mahindra Bank	7	Punjab & Sind Bank
2	Corporation Bank	8	State Bank of Patiala
3	DCB Bank Ltd	9	State Bank of India
4	United Bank of India	10	Bank of Maharashtra
5	HDFC Bank Ltd	11	Punjab National Bank
6	Dena Bank		

2.37 Capital to risk assets ratio (CRAR)

	2016	2015
i) CRAR (%)	18.70%	21.74%
ii) CRAR - Tier I capital (%)	17.68%	21.49%
iii) CRAR - Tier II Capital (%)	1.02%	0.25%
iv) Amount of subordinated debt raised as Tier-II capital	140.00	-
v) Amount raised by issue of perpetual debt instruments	-	-

2.38 Direct assignment

The Company sells loans through securitisation and direct assignment.

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

	2016	2015
Total number of loan assets under par structure	374	-
Total book value of loan assets	400.00	-
Sales consideration received	400.00	-

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is

	2016	2015
1 No. of transactions assigned by the NBFC	1	0
2 Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	400.00	-
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	44.47	-
a) Off-balance sheet exposures		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
- First loss	44.47	-
- Others	-	-
4 Amount of exposures to assignment transactions other than MRR	22.22	-
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	22.22	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

Amount of exposures to assignment transactions other than MRR

	2016	2015
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in Millions)

2.39 Details of non-performing financial assets purchased / sold

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

2.40 Derivatives

The company has not carried out any derivative transaction during the year.(Previous Year Nil)

2.41 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year ended 31 March 2016 aggregated to Rs.7.30 million (Previous year Rs. 0.90 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

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

Minimum lease payments for non cancellable lease	2016	2015
- not later than one year	1.33	1.98
- later than one year and not later than five years	1.18	1.82
- later than five year	-	-

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

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

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

	2016	2015
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)	4,235.55	1,499.72
(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 includes non-fund based (NFB) limits.	4,001.17	1,077.32
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial real estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

b) Exposure to capital market

	2016	2015
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in Millions)

2.43 Asset liability management

Maturity pattern of certain items of assets and liabilities

For the financial year 2015-16

Particulars	Liabilities		Assets	
	Borrowings from banks	Borrowings from others	Advances	Investments
1 day to 30/31 days (One month)	25.00	-	286.87	-
Over One month to 2 months	-	43.33	263.73	-
Over 2 months upto 3 months	52.08	173.84	1,760.23	-
Over 3 months to 6 months	77.08	168.94	1,256.75	-
Over 6 months to 1 year	792.54	2,000.00	2,470.74	-
Over 1 year to 3 years	2,450.00	1,000.00	1,058.35	-
Over 3 years to 5 years	1,846.85	2,000.00	1,569.04	-
Over 5 years	-	140.00	5,293.78	-
Total	5,243.55	5,526.11	13,959.49	-

For the Financial Year 2014-15

Particulars	Liabilities		Assets	
	Borrowings from banks	Borrowings from others	Advances	Investments
1 day to 30/31 days (One month)	-	-	79.17	-
Over One months to 2 months	-	-	89.93	-
Over 2 months upto 3 months	-	-	89.05	-
Over 3 months to 6 months	100.00	-	325.10	-
Over 6 months to 1 year	-	-	783.80	-
Over 1 year to 3 years	250.00	250.00	1,765.72	-
Over 3 years to 5 years	250.00	-	554.07	-
Over 5 years	-	-	1,827.70	-
Total	600.00	250.00	5,514.56	-

2.44 Movements in non performing advances:

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

	2016	2015
i) Net NPAs to net advances (%)	0.07%	0.00%
ii) Movement of NPAs (Gross)		
a) Opening balance	1.40	-
b) Additions during the year	40.10	1.40
c) Reductions during the year	1.74	-
d) Closing balance	39.76	1.40
iii) Movement of net NPA		
a) Opening balance	-	-
b) Additions during the year	10.21	-
c) Reductions during the year	0.29	-
d) Closing balance	9.92	-
iv) Movement of provisions for NPAs (excluding provision on standard assets)		
a) Opening balance	1.40	-
b) Additions during the year	29.89	1.40
c) Reductions during the year	1.45	-
d) Closing balance	29.84	1.40

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

During the year ended 31 March 2016 and 31 March 2015, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in Millions)

2.46 Details of 'provisions and contingencies'

Break up of 'provisions and contingencies' shown under the head expenditure in statement of profit and loss.	2016	2015
i) Provisions for depreciation on investment	-	-
ii) Provision towards NPA	27.94	1.40
iii) Provision made towards income tax	145.53	39.18
iv) Provision for standard assets	28.00	12.71
v) Other provision and contingencies		
a) Provision for credit loss on securitisation	5.60	-

2.47 Concentration of deposits, advances, exposures and NPAs

A) Concentration of advances	2016	2015
Total advances to twenty largest borrowers	920.04	781.35
% of advances to twenty largest borrowers to total advances	6.59%	14.17%
B) Concentration of exposures		
Total exposures to twenty largest borrowers / customers	920.04	781.35
% of exposures to twenty largest borrowers / customers to total advances	6.59%	14.17%
C) Concentration of NPAs		
Total exposures to top four NPAs	0.07%	0.03%
D) Sector-wise NPAs	% of NPAs to total advances in that sector	
	2016	2015
1 Agriculture & allied activities	0.00%	0.00%
2 MSME	0.00%	0.04%
3 Corporate borrowers	0.37%	0.00%
4 Services	0.65%	0.00%
5 Unsecured personal loans	0.00%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	0.00%	0.00%

2.48 Customer complaints

	2016	2015
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	8	4
(c) No. of complaints redressed during the year	8	4
(d) No. of complaints pending at the end of the year	-	-

2.49 Details of ratings assigned by credit rating agencies

As at 31 March 2016

Instrument category	ICRA	CARE	Brickworks
i) Long term instruments			
Rating	[ICRA] AA	CARE AA	BWR AA+
Amount	22,500.00	4,500.00	4,500.00
ii) Short term instruments			
Rating	[ICRA] A1+	CARE A1+	-
Amount	6,000.00	5,000.00	-

As at 31 March 2015

Instrument category	ICRA	CARE
i) Long term instruments		
Rating	[ICRA] AA	CARE AA
Amount	10,500.00	500.00
ii) Short term instruments		
Rating	[ICRA] A1+	CARE A1+
Amount	5,000.00	5,000.00



2.50 *Disclosure of Restructured Accounts*

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

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
Sl No	Asset Classification	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total		
1	Restructured accounts as on 1st April, 2015 (Opening figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	3.36	-	-	-	-	-	-	-	3.36
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	0.50
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	4	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	8.64	-	-	-	-	-	-	-	8.64
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	1.30	-	-	-	-	-	-	-	1.30
4	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Write-offs of restructured accounts during the FY (Refer note 3 below)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Restructured accounts as on 31st Mar, 2016(Closing figures) *	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	5	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	11.67	-	-	-	-	-	-	-	11.67
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	1.75	-	-	-	-	-	-	-	1.75

Each, does the figure of Standard & Advances which do not attract higher provisioning or risk weight (if available)

• Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
(Currency: Indian rupees in Million)

2.51 Corporate social responsibility (CSR)

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

a) Gross Amount required to be spent by the Company during the year was Rs. 0.86 million.

b) Amount spent during the year on :

Particulars	In cash	Yet to be paid in cash	Total
i Construction/ acquisition of any assets	-	-	-
i on purpose other than (i) above	0.05	-	0.05

2.52 Registration obtained from other financial sector regulators - Nil

2.53 Disclosure of penalties imposed by RBI and other regulators - Nil

2.54 Note to the balance sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2016)

Liabilities side:			
Particulars	Amount outstanding		Amount overdue
	2016	2015	2016 2015
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid			
a) Debentures:			
(other than those falling within the meaning of Public deposit)			
(i) Secured	5,291.65	250.07	- -
(ii) Unsecured	153.68	-	- -
b) Deferred credits	-	-	- -
c) Term loans	4,783.31	500.00	- -
d) Inter-corporate loans and borrowing	-	-	- -
e) Commercial paper	-	-	- -
f) Other loans	-	-	- -
1) Loan from related parties	393.27	3,208.44	- -
2) Bank overdraft	460.24	100.00	- -
(* Please see note 1 below)			
Assets side:			
			Amount Outstanding
			2016 2015
2) Break up of loans and advances including bills receivables (other than those included in (3) below)			
a) Secured			8,270.03 2,584.55
b) Unsecured			5,689.46 2,930.01
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities			NA NA
a) Lease assets including lease rentals under sundry debtors:			
(i) Financial lease			- -
(ii) Operating lease			- -
b) Stock on hire including hire charges under sundry debtors			
(i) Assets on hire			- -
(ii) Repossessed assets			- -
c) Other loans counting towards asset financing company activities			
(i) Loans where assets have been repossessed			- -
(ii) Other loans			- -



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
(Currency: Indian rupees in Million)

2.54 Note to the balance sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2015) (Continued)

4) Break up of investments						
Current investments:						
a) Quoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
b) Unquoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others (pass through certificates)						
Long-term investments (net of provision)						
a) Quoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
b) Unquoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
- Pass through certificates						
- Security receipts						
5) Borrower group-wise classification of assets financed as in (2) and (3) above						
Particulars	Secured		Amount net of provisions		Total	
	2016	2015	Unsecured	2015	2016	2015
1. Related parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	7.50	-	7.50
(c) Other related parties	-	-	-	-	-	-
2. Other than related	8,270.03	2,584.55	5,689.46	2,922.51	13,959.49	5,507.06
TOTAL	8,270.03	2,584.55	5,689.46	2,930.01	13,959.49	5,514.56
** As per Accounting Standard of ICAI						
6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)						
Particulars	Market value/break up or fair value or		Book value			
	2016	2015	NAV	(net of provisions)	2016	2015
1) Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
(Currency: Indian rupees in Million)

2.54 Note to the balance sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Figures are as at 31 March 2015) (Continued)


7) Other information		
Particulars	2016	2015
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	39.76	1.40
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	9.92	-
c) Assets acquired in satisfaction of debt	-	-

Note :

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

As per our report attached on even date

For **B S R & Associates LLP**
Chartered Accountants
Firms' Registration No. 116231W/W-100024

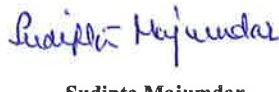

Ashwin Suvarna
Partner
Membership No: 109503

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


Anil Kothuri
Director
DIN: 00177945


Shalinee Mimani
Director
DIN: 07404075


Vineet Mahajan
Chief Financial Officer


Sudipta Majumdar
Company Secretary

Mumbai
12 May 2016

Mumbai
12 May 2016