

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Finvest Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Edelweiss Finvest Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SA), 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") 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 Standalone Ind AS financial statements.

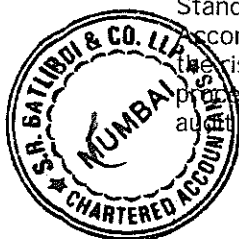
Emphasis of matter

We draw attention to Note 55A to the Standalone Ind AS financial statements, which describes the economic and social disruption as a result of the COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.



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Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial assets at balance sheet date (expected credit losses) (as described in note 12 of the Standalone Ind AS financial statements)	
<p>Ind AS 109 requires the Company to provide for impairment of its financial assets as at the reporting date using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets (loan portfolio).</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none">• Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);• Calculation of past default rates• Assigning rating grades to customers for which external rating is not available• Calibrating external ratings-linked probability of default to align with past default rates• Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products• Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;• Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans. <p>Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package ("RBI circular"), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.</p> <p>In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in SICR for such borrowers. The Company has recorded a management overlay as part of its risk to reflect among other things an increased deterioration in macro-economic factors</p>	<ul style="list-style-type: none">• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020.• Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.• Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.• We performed test of details of the inputs used in the ECL computation, on a sample basis.• Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic).• Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.• Assessed disclosures included in the Standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.



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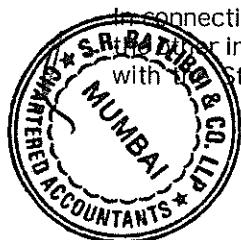
Key audit matters	How our audit addressed the key audit matter
<p>caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated.</p> <p>In view of such high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.</p>	
(b) Information technology (IT) systems and controls	
<p>The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors:</p> <ul style="list-style-type: none">• The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls;• Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting;• Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.• Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.• Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

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 Standalone Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise



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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.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



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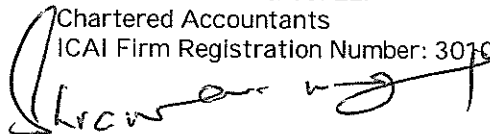
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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 41 to the Standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 53 to the Standalone 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



per Shrawan Jalan

Partner

Membership Number: 102102

20102102AAAAHI9544



Mumbai
July 2020

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Edelweiss Finvest Private Limited

- (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 are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) The Company has granted loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act 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 section 148(1) of the Act, for the services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute, are as follows:



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Name of the statute	Nature of disputed dues	Amount under# dispute (Rs. in millions)	Amount paid* (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	83.82	24.25	AY 2014-15	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12.57	-	AY 2015-16	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	127.57	-	AY 2017-18	The Commissioner of Income Tax (Appeals)

* paid under protest

includes interest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or 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 by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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, 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 notes to the Standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.

According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

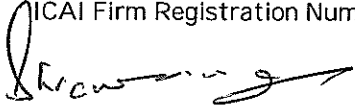


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- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S. R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 20102102AAAAHI9544

Mumbai
July 03, 2020



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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 Finvest Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



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Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

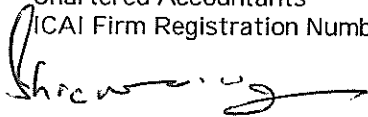
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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

UDIN: 20102102AAAAHI9544

Mumbai

July 03, 2020

Edelweiss Finvest Private Limited

Balance Sheet as at March 31, 2020

(Currency - Indian rupees in million)

		As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
Financial assets				
(a) Cash and cash equivalents	8	1,415.29	4,670.11	363.75
(b) Derivative financial instruments	9	1,563.67	706.85	287.70
(c) Securities held for trading	10	5,070.58	1,142.86	1,699.74
(d) Receivables				
(i) Trade receivables	11	2.60	21.34	12.85
(ii) Other receivables	11	2.78	26.46	10.60
(e) Loans	12	9,237.76	24,560.55	27,977.43
(f) Investments	13	6,327.45	1,862.01	4,617.50
(g) Other financial assets	14	534.40	668.12	19.33
		24,154.53	33,658.30	34,988.90
Non-financial assets				
(a) Current tax assets (net)	15	156.63	147.32	146.82
(b) Deferred tax assets (net)	16	261.19	114.22	286.97
(c) Property, Plant and Equipment	17	2.19	1.35	1.13
(d) Other Intangible assets	17	4.05	6.35	-
(e) Other non-financial assets	18	146.46	101.56	58.90
		570.52	370.80	493.82
TOTAL ASSETS		24,725.05	34,029.10	35,482.72
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
(a) Derivative financial instruments	9	236.46	422.49	212.44
(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	19	226.45	323.89	345.54
(c) Debt securities	20	13,160.17	22,275.76	17,970.76
(d) Borrowings (other than debt securities)	21	352.11	337.18	8,198.80
(e) Subordinated liabilities	22	161.09	161.17	161.26
(f) Other financial liabilities	23	0.45	22.74	16.54
		14,136.73	23,543.23	26,905.34
Non-financial liabilities				
(a) Current tax liabilities (net)	24	163.23	77.40	66.45
(b) Provisions	25	7.42	14.90	2.36
(c) Other non-financial liabilities	26	43.04	42.07	18.65
		213.69	134.37	87.46
Equity				
(a) Equity share capital	27	333.26	333.26	333.26
(b) Instruments entirely equity in nature	28	-	-	-
(c) Other equity	29	10,041.37	10,018.24	8,156.66
		10,374.63	10,351.50	8,489.92
TOTAL LIABILITIES AND EQUITY		24,725.05	34,029.10	35,482.72

* Refer Note no. 54

The accompanying notes are an integral part of the financial statements

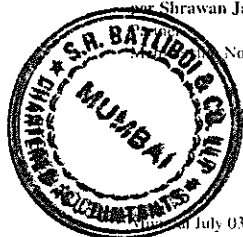
1 to 56

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

[Signature]

Shrawan Jalan
No: 102102



July 03, 2020

For and on behalf of the Board of Directors

[Signature]
Amit Dhawan
Managing Director & CEO
DIN: 02800746

[Signature]
Ashish Kehar
Director
DIN: 07789972

Edelweiss Finvest Private Limited

Statement of Profit and Loss for the year ended March 31, 2020

(Currency: Indian rupees in million)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	30	2,088.70	4,702.61
Dividend income	31	0.71	170.18
Fee income	32	41.27	119.39
Net gain / (loss) on fair value changes (including treasury income)	33	1,095.17	265.60
Other income	34	3.94	0.01
Total Revenue		3,229.79	5,257.79
Expenses			
Finance costs	35	1,772.78	2,264.01
Net loss on derecognition of financial instruments	36A	20.13	-
Impairment on financial instruments	36B	500.31	119.59
Employee benefits expense	37	99.41	112.76
Depreciation, amortisation and impairment	17	2.83	0.89
Other expenses	38	516.62	217.48
Total expenses		2,912.08	2,714.73
Profit before tax		317.71	2,543.06
Tax expenses (Refer Note 39B)			
(1) Current tax			
a) Current Tax	39	276.76	680.12
b) Adjustment in respect of current income tax of prior years	39	(60.39)	(9.95)
		216.37	670.17
(2) Deferred tax expense / (credit) (net)	39	(147.04)	164.87
Total Tax		69.33	835.04
Profit for the year		248.38	1,708.02
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		0.21	(1.89)
Income tax - OCI - that will not be reclassified		(0.05)	0.66
Total		0.16	(1.23)
Total comprehensive income		248.54	1,706.79
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic (INR)	40	7.45	51.25
(2) Diluted (INR)	40	7.45	51.25

The accompanying notes are an integral part of the financial statements

1 to 56

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

[Signature]

per Shrawan Jalan

Partner

Membership No. 102102



For and on behalf of the Board of Directors

[Signature]
Amit Dhawan
Managing Director & CEO
DIN: 02800746

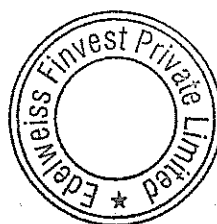
[Signature]
Ashish Kehar
Director
DIN: 07789972

Edelweiss Finvest Private Limited

Statement of Cash flows for the year ended March 31, 2020

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Profit before tax	317.71	2,543.06
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation	2.83	0.89
Impairment on financial instruments (net)	500.31	119.59
Fair value of financial instruments (net)	1,027.09	(167.73)
Provision for gratuity and compensated absences	(7.27)	10.65
Profit on sale of fixed assets (net)	-	(0.19)
Working capital changes (net)	1,840.67	2,506.27
<i>Increase / (Decrease) for working capital changes (net)</i>		
Trade and other receivables	(6.87)	(23.42)
Securities held for trading	(4,594.03)	529.37
Other financial assets	(943.38)	(1,005.96)
Loans	14,871.79	3,296.36
Investments	(4,658.91)	2,888.75
Other non financial assets	(44.88)	(42.66)
Trade payables	(97.44)	(21.65)
Non financial liabilities	0.97	23.42
Other financial liability	304.88	438.37
	6,672.80	8,588.85
Income taxes paid	(139.87)	(659.72)
Net cash generated from / (used in) operating activities - A	6,532.93	7,929.13
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(1.40)	(8.13)
Sale of property, plant and equipment and intangible assets	0.03	0.86
Net cash used in investing activities - B	(1.37)	(7.27)
C Cash flow from financing activities		
Increase in debt securities (refer note 1 below)	(9,765.03)	4,246.27
(Decrease) / increase in borrowings other than debt securities (refer note 1 below)	(21.35)	(7,861.77)
Increase / (Decrease) in Subordinate Debt	-	-
Net cash (used in) / generated from financing activities - C	(9,786.38)	(3,615.50)
Net increase in cash and cash equivalents (A+B+C)	(3,254.82)	4,306.36
Cash and cash equivalent as at the beginning of the year	4,670.11	363.75
Cash and cash equivalent as at the end of the year	1,415.29	4,670.11
	For the year ended March 31, 2020	For the year ended March 31, 2019
Operational cash flows from interest and dividends		
Interest paid	1,233.04	2,058.56
Interest received	3,846.56	4,213.58
Dividend received	0.71	170.18



Edelweiss Finvest Private Limited

Statement of Cash flows for the year ended March 31, 2020

(Currency: Indian rupees in million)

Cash Flow Statement (continued)

Notes:

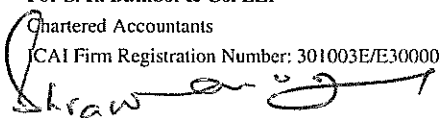
- 1 Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
- 2 Above Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the companies Act ,2013.
- 3 Refer note 43 for disclosure relating to changes in liabilities arising from financing activities

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

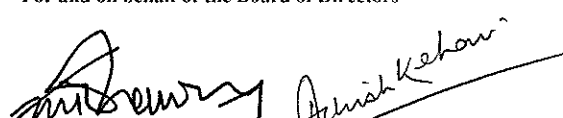


per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors



Amit Dhawan

Managing Director & CEO

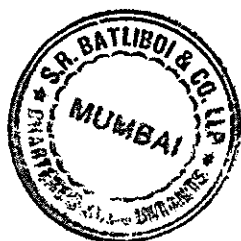
DIN: 02800746

Ashish Kehar

Director

DIN: 07789972

Mumbai July 03, 2020



Edelweiss Finvest Private Limited

Statement of Changes in Equity for the year ended March 31, 2020

(Currency: Indian rupees in million)

A. Equity Share Capital

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Outstanding as on April 1, 2019	Issued during the year	Outstanding as on March 31, 2020	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019
Issued, subscribed and paid up (Equity shares of Rs 10 each, fully paid-up)	333.26	-	333.26	333.26	0.00	333.26

B. Other Equity

	Capital redemption reserve	Securities Premium	Statutory Reserve	Retained Earnings	Deemed Capital Contribution - Equity	Deemed Capital Contribution - Preference Shares	Total Attributable to equity holders
Balance as at 1st April 2018	84.34	3,752.55	801.00	3,516.52	2.25	-	8,156.66
Profit for the year	-	-	-	1,708.02	-	-	1,708.02
Other comprehensive income	-	-	-	(1.23)	-	-	(1.23)
	84.34	3,752.55	801.00	5,223.31	2.25	-	9,863.45
Shares issued during the year	-	-	-	-	-	-	-
Premium received on issue of debentures	-	163.33	-	-	-	-	163.33
Income tax impact on ESOPs	-	-	-	(8.54)	-	-	(8.54)
Transfer to statutory reserve	-	-	341.60	(341.60)	-	-	-
Balance as at March 31, 2019	84.34	3,915.88	1,142.60	4,873.17	2.25	-	10,018.24
Profit for the year	-	-	-	248.38	-	-	248.38
Other comprehensive income	-	-	-	0.16	-	-	0.16
	84.34	3,915.88	1,142.60	5,121.71	2.25	-	10,266.78
Premium transfer to financial liability	-	(172.44)	-	-	-	-	(172.44)
Transfer to statutory reserve	-	-	86.98	(86.98)	-	-	-
Deemed distribution during the year	-	-	-	-	-	(52.97)	(52.97)
Balance as at March 31, 2020	84.34	3,743.44	1,229.58	5,034.73	2.25	(52.97)	10,041.37

As per our report of even date attached

The accompanying notes 1 to 56 are an integral part of the financial statements

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

For and on behalf of the Board of Directors

Amit Dhawan
Managing Director & C.E.O.
DIN: 02809746

Ashish Kehar
Director
DIN: 07789972

Mumbai July 03, 2020



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

1. Corporate information:

Edelweiss Finvest Private Limited ('the Company') a private limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of ECap Equities Limited. The Company was incorporated on August 23, 2006, 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 corporate credit and retail credit. Under the corporate credit vertical it offers structured collateralised credit to corporates and real estate finance to developers and under the retail credit vertical it offers loan against securities.

2. 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).

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.

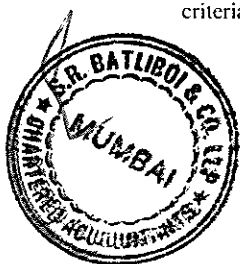
3. Presentation of financial statements:

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 44-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.



4. Significant accounting policies

4.1 Recognition of interest income and dividend income

4.1.1 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.

4.1.2 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.

Penal interest income on delayed EMI or pre EMI is recognised on receipt basis.

4.1.3 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.

4.1.4 Fee and Commission Income:

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

4.1.5 Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract. Other ancillary charges are recognized upon realisation.

4.2 Financial instruments:

4.2.1 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.

4.2.2 Initial measurement of financial instruments:

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

4.2.3 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 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.

4.2.4 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.

4.3 Financial assets and liabilities:

4.3.1 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



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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.

4.3.2 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 on fair value changes.

4.3.3 Investment in equity instruments:

The Company subsequently measures all equity investments (other than subsidiaries, associates, and other group companies) 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 FVTOCI, 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. Investments in subsidiaries and associates are carried at cost as permitted under Ind AS 27 (Consolidated and Separate Financial Statements). The investment in other group companies are carried at cost

4.3.4 Financial liabilities:

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

4.3.5 Derivative financial instruments:

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

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.

4.3.6 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amorisred 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.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

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



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

4.3.8 Loan commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments are in the scope of the ECL requirements.

4.3.9 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.

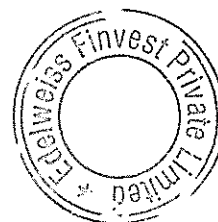
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

4.4 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.

4.5 Derecognition of financial Instruments:

4.5.1 Derecognition of financial asset



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

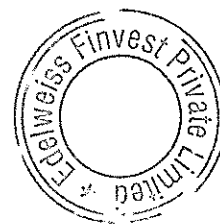
- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.5.2 Derecognition of financial liabilities



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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.

4.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

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 ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. 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.

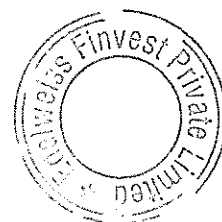
General approach

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 categories its financial assets as follows:



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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%.

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.

4.7 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 reassessed 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.

4.8 Write-offs:

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

4.9 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:



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments:

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

Level 2 financial instruments:

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

Level 3 financial instruments:

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

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.

4.10 Leases:

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

4.11 Earnings per share:

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

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

4.12 Foreign currency transaction:

The Standalone Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise

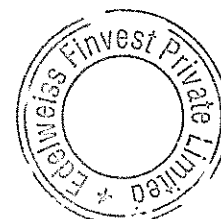
4.13 Retirement and other employee benefit:

4.13.1 Provident fund:

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

4.13.2 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.



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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.

4.13.3 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.

4.13.4 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.

4.13.5 Equity-settled share-based payments:

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

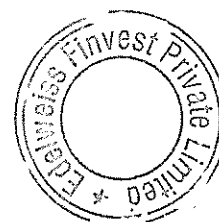
4.14 Property, plant and equipment:

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:



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

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.

4.15 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.

4.16 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.

4.17 Provisions and other contingent liabilities:

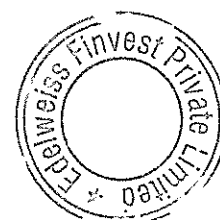
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money 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.

4.18 Income tax expenses:

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



4.18.1 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.

4.18.2 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.

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.

4.18.3 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.

4.19 Cash and cash equivalents:

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

5. Significant accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, which are described in note 4, 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.

5.1 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 of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.2 Significant increase in credit risk:

As explained in note 48.D.1, 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.

5.3 Fair value of financial instruments:

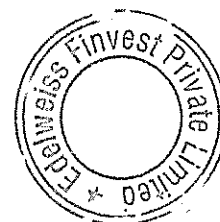
The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that 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.

5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of 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

5.5 Impairment of Financial assets:



Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

The measurement of impairment losses across all categories of financial assets except assets valued at fair value through Profit & Loss account (FVTPL) requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. 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 has been Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

5.6 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.

5.7 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.

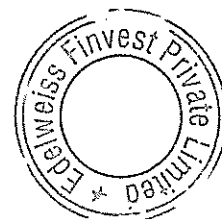
5.8 Provisions for Income Taxes:

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

Standards issued but not yet effective :

- 6.1 There are no new standard or amendment issued but not effective.



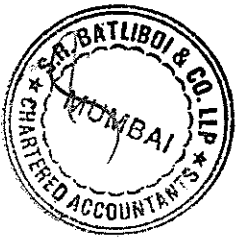
Edelweiss Finvest Private Limited

Notes to the financial statement for the year ended March 31, 2020

7. Subsequent Events:

7.1 Scheme of Amalgamation for Merger

A Scheme of Amalgamation for merger of the Company ("Transferor Company") with Edel Finance Company Limited ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with National Company Law Tribunal ("NCLT") on May 22, 2020.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

8. Cash and cash equivalents

Cash in hand

Cash in hand

0.01

-

0.01

Balances with banks

- in current accounts

1,415.28

118.19

313.73

- in fixed deposits with banks

-

4,501.91

-

- in fixed deposits with banks to the extent held as security against borrowings (refer note 8.A below)

-

50.01

50.01

1,415.29

4,670.11

363.75

Fixed deposit balances with banks earn interest at fixed rate

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

Fixed deposits pledged against overdraft facility

RBL Bank Limited

-

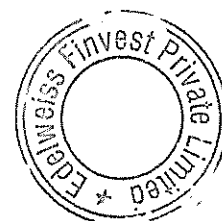
50.01

50.01

-

50.01

50.01



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency - Indian rupees in million)

9. 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 / units held

Particulars	March 31, 2020							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	4,97,353	13.60	No of Shares	INR	8,25,774	10.14
Less: amounts offset				(13.60)				(10.14)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	27,630	3.42	Index Units	INR	29,325	22.32
Options purchased	Index Units	INR	4,15,650	172.01				
Options sold (written)				-	Index Units	INR	99,300	127.41
Less: amounts offset				(3.42)				(22.32)
(Refer Note 9.A)								
Subtotal(ii)				172.01				127.41
(iii) Embedded derivatives								
In market linked debentures*				1,391.66				109.05
Subtotal(iii)				1,391.66				109.05
Total Derivative Financial Instruments				1,563.67				236.46

Particulars	March 31, 2019							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	9,47,349	13.79	No of Shares	INR	1,07,525	1.24
Less: amounts offset				(13.79)				(1.24)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	1,91,175	20.55				
Options purchased	Index Units	INR	2,13,150	379.35				
Options sold (written)				-	Index Units	INR	2,14,950	1.33
Less: amounts offset				(20.55)				(1.33)
(Refer Note 9.A)								
Subtotal(ii)				379.35				-
(iii) Embedded derivatives								
In market linked debentures*				327.50				422.49
Subtotal(iii)				327.50				422.49
Total Derivative Financial Instruments				706.85				422.49

Particulars	April 01, 2018							
	Unit	Currency	Notional amount	Fair value Asset	Unit	Currency	Notional amount	Fair value liability
(i) Equity linked derivatives								
Stock Futures	No of Shares	INR	2,11,725	1.10	No of Shares	INR	1,68,250	0.56
Less: amounts offset				(1.10)				(0.56)
(Refer Note 9.A)								
Subtotal(i)				-				-
(ii) Index linked derivatives								
Index Futures	Index Units	INR	38,925	0.77				
Options purchased	Index Units	INR	44,475	0.03				
Options sold (written)				-	Index Units	INR	45,350	10.56
Less: amounts offset				(0.77)				(10.56)
(Refer Note 9.A)								
Subtotal(ii)				0.03				-
(iii) Embedded derivatives								
In market linked debentures*				287.67				212.44
Subtotal(iii)				287.67				212.44
Total Derivative Financial Instruments				287.70				212.44

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.

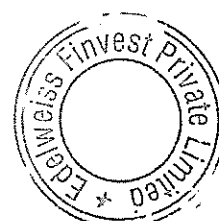
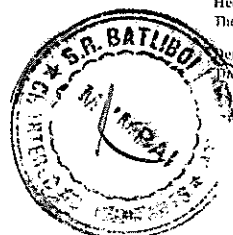
*An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Refer Note 4.3.6 and 4.3.7 for further details.

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

derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments





Edelweiss Private Equity & Real Estate Fund Management Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in millions)

9.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

As at 31-Mar-20	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 assets before offset	Amount offset	Net assets recognised in the balance sheet	Financial assets	Collaterals paid	Assets recognised on the balance sheet		
Derivative Assets	17,102	(17,102)	-	-	-	1,563 (C)	1,563 (C)	1,563 (C)
Margin placed with brokers*	5,163	(5,163)	-	-	-	500 (C)	500 (C)	500 (C)

Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-20	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 liabilities before offset	Amount offset	Net liabilities recognised in the balance sheet	Financial assets	Collaterals paid	Liabilities recognised on the balance sheet		
Derivative Liabilities	159 (C)	(15,466)	15,307	-	-	159 (C)	159 (C)	2,16,466

Financial Assets subject to offsetting, netting arrangements

As at 31-Mar-20	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 assets before offset	Amount offset	Net assets recognised in the balance sheet	Financial assets	Collaterals paid	Assets recognised on the balance sheet		
Derivative Assets	31,313	(31,313)	-	-	-	708 (C)	708 (C)	708 (C)
Margin placed with brokers*	6,666	(6,666)	-	-	-	666 (C)	666 (C)	666 (C)

Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-20	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 liabilities before offset	Amount offset	Net liabilities recognised in the balance sheet	Financial assets	Collaterals paid	Liabilities recognised on the balance sheet		
Derivative Liabilities	1,241	(12,571)	11,330	-	-	422 (C)	422 (C)	422 (C)

9.A Offsetting (continued)

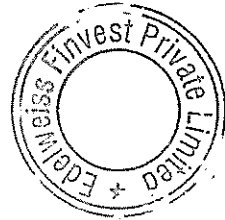
Financial Assets subject to offsetting, netting arrangements

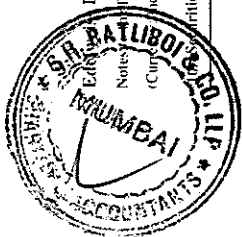
As at 31-Mar-20	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross assets before offset	Amount offset	Net assets recognised in the balance sheet	Financial assets	Collaterals paid	Assets recognised on the balance sheet		
Derivative Assets	1,871	(11,871)	10,000	-	-	287 (C)	287 (C)	287 (C)
Margin placed with brokers*	28,585	(28,585)	-	-	-	19 (C)	19 (C)	19 (C)

Financial Liabilities subject to offsetting, netting arrangements

As at 31-Mar-20	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 liabilities before offset	Amount offset	Net liabilities recognised in the balance sheet	Financial assets	Collaterals paid	Liabilities recognised on the balance sheet		
Derivative Liabilities	11,112	(11,112)	-	-	-	212 (C)	212 (C)	212 (C)

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

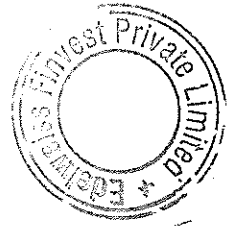




Finvest Private Limited
Financial Statements for the year ended March 31, 2020
 (Indian rupees in million)
Securities held for trading:

	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	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>									
Debt Securities									
10.70% Dewan Housing Finance Limited 10.06.2021 Bonds	10,00,000	100	30.41	10,00,000	100	104.59	-	-	-
8.90% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	3,00,000	81.25	1,000	3,00,000	300.36	-	-	-
9.00% Dewan Housing Finance Corporation Limited 04.06.2021 Bonds	1,000	4,46,000	104.11	1,000	4,46,000	417.56	-	-	-
9.60% SREI Equipment Finance Limited 25.05.2028 Bonds	1,000	3,32,006	400.21	1,000	3,14,673	320.35	-	-	-
8.85% Indiabulls Commercial Credit Limited 28.03.2028 Bonds	1,00,000	125	5.33	-	-	-	-	-	-
9.75% Edelweiss Retail Finance Limited Perpetual Bonds	10,00,000	71	40.35	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 07.10.2028 Bonds	6,57,526	257	222.57	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 27.04.2027 NCD	8,89,867	1,243	857.55	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 28.03.2027 NCD	6,82,056	1,923	1,975.85	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 28.08.2027 Bonds	9,75,850	980	1,167.54	-	-	-	-	-	-
2.00% Edelweiss Asset Reconstruction Company Limited 23.07.2023 NCD	10,00,000	10	10.23	-	-	-	-	-	-
Edelweiss Asset Reconstruction Company Limited - NLD	1,00,000	107	15.26	-	-	-	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly	-	-	-	-	-	-	1,000.00	315.00	0.37
10.60% ECL Finance Limited 11.03.2020 NCD - Yearly Cumulative	-	-	-	-	-	-	1,000.00	7,471.00	13.11
11.85% ECL Finance Limited 28.01.2019 NCD - Monthly Cumulative	-	-	-	-	-	-	1,000.00	53,305.00	87.53
Total Debt Securities (A)			4,910.66			1,142.86			101.01
Equity Instruments (Quoted)									
JM Equity Fund - Monthly Dividend Option - Payout	-	-	-	-	-	-	20.95	8,35,17,071	998.73
HOI Axa Treasury Advantage Fund - Direct Plan - Growth	-	-	-	-	-	-	2,125.00	2,35,293	500.00
Total Mutual Fund (B)			-			-			1,498.73
Equity Instruments (Unquoted)									
Amrita Pharma Limited	2	6	0.01	-	-	-	-	-	-
Poonis Healthcare Limited	10	22,000	2.69	-	-	-	-	-	-
ICICI Securities Limited	-	-	-	-	-	-	10.00	1,92,304	100.00
IndoStar Capital Finance Limited	10	51,275	12.73	-	-	-	-	-	-
Ingessoll Rand (India) Limited	10	15,320	9.46	-	-	-	-	-	-
Tata Consumer Products Limited	1	4,23,900	124.99	-	-	-	-	-	-
Tata Steel BSL Limited	2	1,90,585	3.14	-	-	-	-	-	-
WABCO India Limited	5	1,125	6.90	-	-	-	-	-	-
Total Equity Instruments (C)			159.92			-			100.00
Total (A+B+C)			5,070.58			1,142.86			1,699.74

Refer note 47 - Fair value measurement for valuation methodologies for securities held for trading



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
11. Receivables			
a) Trade receivables			
Receivables considered good - unsecured	2.60	21.34	12.85
Receivables - credit impaired	73.70	56.49	57.43
	76.30	77.83	70.28
Allowance for expected credit losses			
Receivables - credit impaired	(73.70)	(56.49)	(57.43)
Trade receivables (a)	2.60	21.34	12.85
b) Other receivables			
Receivables considered good - unsecured \$	2.78	26.46	10.60
Other receivables (b)	2.78	26.46	10.60
Total receivables (a+b)	5.38	47.80	23.45

\$ Includes receivables from companies in the same group. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

c) Reconciliation of impairment allowance on trade receivables:

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Impairment allowance measured as per simplified approach			
Impairment allowance - opening balance	56.49	57.43	57.40
Add/ (less): asset originated or acquired (net)	17.21	(0.94)	0.03
Impairment allowance - closing balance	73.70	56.49	57.43

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

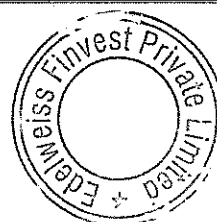
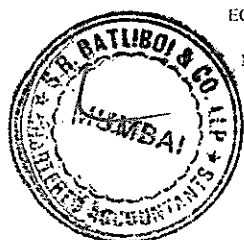
2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member

d) Trade receivables days past due

As at March 31, 2020	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	2.60	-	-	73.70	76.30
ECL - Simplified approach	-	-	-	-	73.70	73.70
Net carrying amount	-	2.60	-	-	-	2.60
As at March 31, 2019	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	21.34	-	-	56.49	77.83
ECL - Simplified approach	-	-	-	-	56.49	56.49
Net carrying amount	-	21.34	-	-	-	21.34

* Includes receivables from stock exchanges / clearing house. The Company has no history of defaults and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.

As at April 01, 2018	Current	1-90 days	91-180 days	181-360 days	> 360 days	Total
ECL Rates	0%	0%	0%	0%	100.0%	
Estimated total gross carrying amount at default *	-	12.85	-	-	57.43	70.28
ECL - Simplified approach	-	-	-	-	57.43	57.43
Net carrying amount	-	12.85	-	-	-	12.85

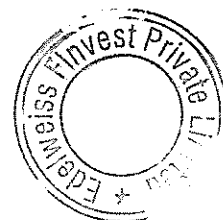


Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
12. Loans (at amortised cost)			
Term Loans;			
Corporate credit	4,443.32	19,733.51	27,000.13
Retail credit	5,142.30	5,308.69	1,821.98
Total gross	9,585.62	25,042.20	28,822.11
Less: Impairment loss allowance (Refer note 12.A)	(347.86)	(481.65)	(844.68)
Total net	9,237.76	24,560.55	27,977.43
Collateral :			
Secured by			
Secured by tangible assets (property including land & building)	2,218.18	12,676.39	15,182.08
Secured by inventories, unlisted securities, project receivables & other marketable securities	4,285.34	9,688.87	13,101.19
Unsecured	3,082.11	2,676.94	538.84
Total gross	9,585.63	25,042.20	28,822.11
Less: Impairment loss allowance (Refer note 12.A)	(347.86)	(481.65)	(844.68)
Total net	9,237.77	24,560.55	27,977.43
Loans in India			
Public sector	-	-	-
Others	9,585.62	25,042.20	28,822.11
Total gross	9,585.62	25,042.20	28,822.11
Less: Impairment loss allowance (Refer note 12.A)	(347.86)	(481.65)	(844.68)
Total net	9,237.76	24,560.55	27,977.43





Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

12.A Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48 D.1 and policies on ECL allowances are set out in Note 4.6

at Credit quality of assets

	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Total
Performing	6,350.53	-	-	6,350.53	20,102.42	-	-	20,102.42	25,283.62
High grade	-	2,426.15	-	2,426.15	-	4,828.65	3,032.29	4,828.65	3,032.29
Standard grade	-	-	-	-	-	-	-	-	-
Non-performing	-	-	808.94	808.94	-	-	-	-	506.20
Individually impaired	-	-	-	-	-	-	-	-	-
	6,350.53	2,426.15	808.94	9,585.62	20,102.42	4,828.65	111.13	25,042.20	28,822.11

b) Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

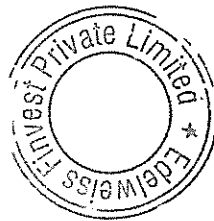
The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

Reconciliation / movement for the year ended March 31, 2020

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Gross carrying Amount	Allowance for ECL
Opening Balance	20,102.42	273.03	4,828.65	155.66	111.13	52.96	25,042.20	481.65
Transfer of financial assets								
Stage 2 to Stage 1	589.72	(33)	(589.74)	(33)	-	-	-	-
Stage 1 to Stage 2	(59.50)	59.50	-	-	-	-	-	-
Stage 1 to Stage 3	(2.88)	(7.13)	-	-	10.01	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(0.30)	-	0.30	-	-	-	-
New assets originated / repayments received (net) *	(485.22)	(1.60)	2,012.16	158.60	796.60	176.83	2,323.54	333.83
Loan purchased (Credit Impaired)	-	-	-	-	4,870.24	-	4,870.24	-
Loan sale to other financial institutions	(13,794.03)	(270.89)	(3,877.29)	(155.33)	(4,979.04)	(41.40)	(22,650.36)	(467.62)
Closing Balance	6,350.53	0.57	2,426.15	158.90	808.94	188.39	9,585.62	347.86

* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year





Invest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

12.A Credit quality of assets (continued)

Reconciliation / movement for the year ended March 31, 2019

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1		Gross carrying Amount	Stage 2		Gross carrying Amount	Allowance for ECL	Total
	Gross Carrying Amount	Allowance for ECL		Gross carrying Amount	Allowance for ECL			
Opening Balance	25,283.62	268.33	3,032.29	83.06	506.20	493.29	28,822.11	844.68
Transfer of Financial Assets								
Stage 2 to Stage 1	273.53	0.01	(273.53)	(0.01)	-	-	-	-
Stage 1 to Stage 2	(1,997.08)	(21.34)	1,997.08	21.34	-	-	-	-
Stage 1 to Stage 3	(106.84)	(0.62)	-	-	106.84	0.62	-	-
Reversal of ECL arising from transfer of stage (net)	-	0.00	-	47.11	-	40.78	-	87.89
New assets originated / repayments received (net) *	(3,350.81)	26.65	72.81	4.16	(18.46)	1.82	(3,296.36)	32.63
Amounts written off	-	-	-	-	(483.55)	(483.55)	(483.55)	(483.55)
ECL Allowance - Closing Balance	20,103.42	273.03	4,828.65	155.66	111.13	52.96	25,042.20	481.65

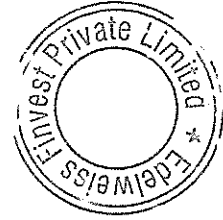
* Amount less than Rs. 50,000

* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year

Reconciliation / movement for the year ended March 31, 2018

Particulars	Non Credit Impaired			Credit Impaired			Total	
	Stage 1		Gross carrying Amount	Stage 2		Gross carrying Amount	Allowance for ECL	Total
	Gross Carrying Amount	Allowance for ECL		Gross carrying Amount	Allowance for ECL			
Opening Balance	11,805.52	99.75	2,775.94	118.03	-	14,581.46	217.78	
Transfer of Financial Assets								
Stage 2 to Stage 1	-	-	-	-	-	-	-	-
Stage 1 to Stage 2	-	-	-	-	-	-	-	-
Stage 1 to Stage 3	-	-	-	-	-	-	-	-
Reversal of ECL arising from transfer of stage (net)	13,478.10	168.58	567.45	(28.50)	-	14,551.75	633.37	
New assets originated / repayments received (net) *	-	-	(311.10)	(6.47)	-	(311.10)	(6.47)	
Amounts written off	-	-	-	-	-	-	-	
ECL Allowance - Closing Balance	25,283.62	268.33	3,032.29	83.06	506.20	493.29	28,822.11	844.68

* Includes loans which were disbursed and subsequently classified as stage 2 / stage 3 within the same year



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

13. Investments

13.A Summary of Investments

As at March 31, 2020	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (fellow subsidiaries) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	214.10	-	214.10	590.14	804.24
Preference Shares	447.61	-	36.99	-	36.99	-	484.60
Security receipts (Refer below note 3)	-	-	2,703.45	-	2,703.45	-	2,703.45
Units of AIF	-	-	2,163.64	-	2,163.64	-	2,163.64
Units of venture fund	-	-	119.02	-	119.02	-	119.02
Warrants	-	-	52.50	-	52.50	-	52.50
TOTAL - Gross (A)	447.61	-	5,289.70	-	5,289.70	590.14	6,327.45
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	447.61	-	5,289.70	-	5,289.70	590.14	6,327.45
Total (B)	447.61	-	5,289.70	-	5,289.70	590.14	6,327.45
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	447.61	-	5,289.70	-	5,289.70	590.14	6,327.45

As at March 31, 2019	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (fellow subsidiaries) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	6.58	-	6.58	590.14	596.72
Preference Shares	-	-	37.27	-	37.27	-	37.27
Security receipts (Refer below note 3)	-	-	845.69	-	845.69	-	845.69
Units of AIF	-	-	290.68	-	290.68	-	290.68
Units of venture fund	-	-	91.65	-	91.65	-	91.65
TOTAL - Gross (A)	-	-	1,271.87	-	1,271.87	590.14	1,862.01
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,271.87	-	1,271.87	590.14	1,862.01
Total (B)	-	-	1,271.87	-	1,271.87	590.14	1,862.01
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	1,271.87	-	1,271.87	590.14	1,862.01

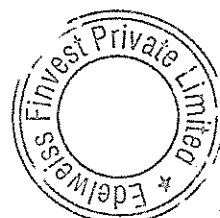
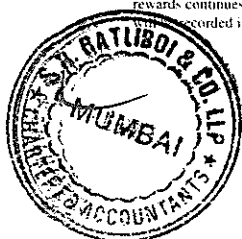
As at April 01, 2018	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (fellow subsidiaries) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity instruments	-	-	3.63	-	3.63	590.14	593.77
Preference Shares	-	-	25.69	-	25.69	-	25.69
Security receipts	-	-	3,692.00	-	3,692.00	-	3,692.00
Units of AIF	-	-	223.67	-	223.67	-	223.67
Units of venture fund	-	-	82.37	-	82.37	-	82.37
TOTAL - Gross (A)	-	-	4,027.36	-	4,027.36	590.14	4,617.50
(i) Investments outside India	-	-	-	-	-	590.14	590.14
(ii) Investment in India	-	-	4,027.36	-	4,027.36	-	4,027.36
Total (B)	-	-	4,027.36	-	4,027.36	590.14	4,617.50
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	4,027.36	-	4,027.36	590.14	4,617.50

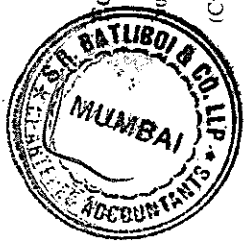
Notes:

1) Please refer note 13 B & 13 C. Investment details for further details

2) Please refer note 47 - Fair value measurement for valuation methodology

3) During the year ended March 31, 2020 and March 31, 2019, the Company has sold financial assets aggregating to Rs 4850.90 millions (net of provisions & losses) and Rs - Nil (net of provisions & losses) respectively to various asset reconstruction company trusts (ARC Trusts) and has acquired security receipts (SR) from ARC Trusts amounting to Rs 2677.77 millions. The Board approved committee approved such sale of financial assets to ARC Trusts. Ind AS 109 - Financial Instruments, prescribed under section 133 of the Companies Act, 2013, requires substantial risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. Edelweiss Financial Services Limited (EFSL), holding company, and Edelweiss Rural and Corporate Services Limited (ERC SL), a fellow subsidiary, on March 31, 2020, have guaranteed significant risks and assumed significant rewards in respect of an aggregate value of financial assets of Rs 1688.31 millions sold to ARC Trusts. As a result, these financial assets are de-recognized in Company's financial statements. Further, as the risks and rewards continues in ERC SL and EFSL, these continue to be accounted as financial assets in the consolidated financial statements of the Group and the respective consequent expected credit loss recorded in the consolidated financial statements of EFSL or ERC SL.





Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

13. Investments (continued)

13.B Investments in preference shares measured at amortised cost:

i) Credit quality of assets:

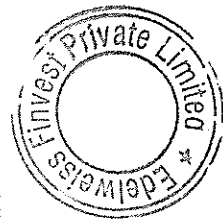
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 48.D.1 and policies on ECL allowances are set out in Note 4.6

Particulars	March 31, 2020			March 31, 2019			April 01, 2018					
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing	447.61	-	-	447.61	-	-	-	-	-	-	-	-
High grade	447.61	-	-	447.61	-	-	-	-	-	-	-	-

ii) Reconciliation of changes in gross carrying amount for investments in preference shares:

Particulars	March 31, 2020			Total	March 31, 2019			Total
	Stage I	Stage II	Stage III		Stage I	Stage II	Stage III	
Gross carrying amount - opening balance	-	-	-	-	-	-	-	-
Assets acquired or recognised	447.03	-	-	447.03	-	-	-	-
Unwinding of discount (recognised in interest income)	0.58	-	-	0.58	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Assets derecognised or matured	-	-	-	-	-	-	-	-
Closing balance	447.61	-	-	447.61	-	-	-	-

Please refer note 13.C- Investment details for further details



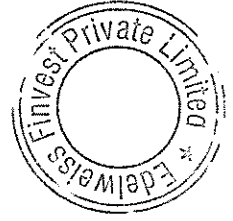


Edelweiss Finvest Private Limited
As to the financial statements for the year ended March 31, 2020
(Currency: Indian rupees in million)

13. Investments (continued)

13.C Serp wise details of Investments

	As at March 31, 2020				As at March 31, 2019				As at April 01, 2018			
	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount
Equity Instruments (Fully paid up)												
<i>At cost value through profit and loss account</i>												
<i>Unquoted</i>												
Tamilnad Mercantile Bank Limited	10	36,072	2.54	10	36,072	6.58	10.00	36,072	3.63			
Metropolitan Stock Exchange Off India Limited	1	3,70,20,000	51.78	-	-	-	-	-	-			
Centrust Corporate Durable Private Limited	10	2,913	52.78	-	-	-	-	-	-			
Unicare Business Services Limited	10	25,013,580	107.89	-	-	-	-	-	-			
Total (A)			214.10			6.58			3.63			
Equity Instruments (Fully paid up)												
<i>At cost</i>												
Fellow Subsidiaries	10	30,00,000	264.90	10	30,00,000	264.90	10	30,00,000	264.90			
Edelweiss Retail Finance Limited	10	1,52,51,550	326.14	10	1,52,51,550	326.14	10	1,52,51,550	326.14			
Edelweiss Asset Reconstruction Company Limited			590.14			590.14			590.14			
Total (B)			1,151.94			1,151.94			1,151.94			
Preference Shares (Fully paid up)												
<i>At cost value through profit and loss account</i>												
Zero coupon Series D non-cumulative compulsorily convertible preference shares of Bright Lifecare Private Limited	7,664	5,219	36.99	7,664	5,219	37.27	7,664	5,219	25.69			
<i>At Amortised Cost</i>												
12% Non Cumulative Optionally convertible Preference shares of Edelweiss Rural & Corporate Services Limited	10,000	5,00,000	447.61	-	-	-	-	-	-			
Total (C)			484.60			37.27			25.69			
Securities Receipts												
<i>At cost value through profit and loss account</i>												
EARC Trust SC 6	-	-	-	-	-	-	1,000	2,18,509	88.08			
EARC Trust SC 43	-	-	-	-	-	-	1,000	54,000	27.00			
EARC Trust SC 55	-	-	-	-	-	-	1,000	46,800	23.40			
EARC Trust SC 109	-	-	-	-	-	-	1,000	5,24,900	602.71			
EARC Trust SC 112	-	-	-	-	-	-	1,000	2,96,000	273.78			
EARC Trust SC 177	-	-	-	-	-	-	1,000	1,24,750	119.82			
EARC Trust SC 245	-	-	-	1,000	1,24,750	122.41	1,000	5,40,940	448.36			
EARC Trust SC 229	-	-	-	-	-	-	1,000	2,55,000	191.25			
EARC Trust SC 262 - Series 1	-	-	-	1,000	2,65,500	292.68	1,000	3,74,000	231.78			
EARC Trust SC 297 - Series 1	1,000	3,38,621	5.98	1,000	3,31,820	358.56	1,000	8,95,914	934.79			
EARC Trust SC 327 - Series 1	-	-	-	-	-	-	1,000	6,42,855	642.86			
EARC Trust SC 317	1,000	47,325	0.05	1,000	98,567	57.93	-	-	-			
EARC Trust SC 340	-	-	-	-	-	0.95	-	-	-			
EARC Trust SC 391	1,000,000	73,980	62.21	-	-	-	-	-	-			
EARC Trust SC 391	89.71	19,000	19.72	1,000	19,500	12.52	1,000	19,500	20.01			
Edelweiss ARF-I Trust Scheme-1	-	-	-	-	-	-	1,000	56,728	23.49			
Edelweiss ARF-I Trust Scheme-2	1,000	31,324	0.04	1,000	530	0.53	1,000	11,324	4.56			
Edelweiss ARF-I Trust Scheme-3	1,000	43,899	0.04	1,000	40	0.04	1,000	41,899	0.04			
Edelweiss ARF-I Trust Scheme-4	1,000	32,679	0.03	1,000	30	0.03	1,000	32,679	0.03			
Edelweiss ARF-I Trust Scheme-5	1,000	35,370	0.04	1,000	40	0.04	1,000	35,370	0.04			
RARE ARC (60) Trust	1,000,000	12,41,000	1,054.85	-	-	-	-	-	-			
RARE ARC (61) Trust	1,000,000	11,68,665	776.00	-	-	-	-	-	-			
ACRE 100 Trust	1,000,000	7,90,500	290.50	-	-	-	-	-	-			
Total (D)			2,703.45			845.69			3,402.00			





Edelweiss Private Limited
Annual financial statements for the year ended March 31, 2020
(All figures in million)
(Amounts rounded off)
Script wise details of Investments

Units of AIF

At fair value through profit and loss account
Edelweiss Private Equity Tech Fund
Edelweiss Value and Growth Fund
Lacering Capital India Picking Fund II
Paragon Partners Growth Fund - I
Edelweiss Stressed and Troubled Assets Recovery Fund
Edelweiss Real Estate Opportunities Fund
Edelweiss Credit Opportunities Fund
Edelweiss Infrastructure Yield Plus Fund
Edelweiss India Special Situations Fund

Units of venture fund

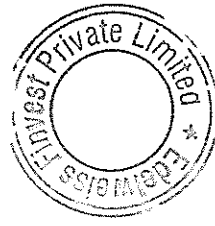
At fair value through profit and loss account
KAT Capital Fund India
KAT Capital Fund II (India)

Others - Warrants

At fair value through profit and loss account
AT Invest India Pvt. Ltd. (Rs. 55 paid up)
Manoj Raval Jewels Private Limited
Sriee Mangal Abhushan Private Limited
Sriee Mangal Jewels Private Limited
Bhoro Shipyard Limited (Rs. 55 paid up)

As at March 31, 2020				As at March 31, 2019				As at April 01, 2018			
Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount	Face Value (Rs.)	Quantity	Amount
1,00,000	569	136.73	1,00,000	569	80.41	1,00,000	569	62.12	1,00,000	569	62.12
1,00,000	1,951	325.50	1,00,000	1,952	210.27	1,00,000	1,953	161.55	1,00,000	1,953	161.55
1,000	37,090	39.38	-	-	-	-	-	-	-	-	-
100	8,88,580	135.64	-	-	-	-	-	-	-	-	-
10,000	3,000	12.05	-	-	-	-	-	-	-	-	-
10,000	45,068	550.86	-	-	-	-	-	-	-	-	-
1,000	2,30,761	226.61	-	-	-	-	-	-	-	-	-
10,000	59,000	702.57	-	-	-	-	-	-	-	-	-
10,000	1,13,816	34.30	-	-	-	-	-	-	-	-	-
Total (E)			2,163.64			290.68			233.67		
1,00,000	41	8.94	1,00,000	50	51.44	1,00,000	50	29.49	1,00,000	50	29.49
1,00,000	558	110.08	1,00,000	650	60.21	1,00,000	433	52.88	1,00,000	433	52.88
Total (F)			119.02			91.65			82.37		
10	60,00,000	21.90	-	-	-	10	3,20,000	-	-	-	-
10	15,00,000	5.25	-	-	-	-	-	-	-	-	-
10	55,00,000	26.25	-	-	-	-	-	-	-	-	-
10	26,47,313	-	10	26,47,313	-	-	10	26,47,313	-	-	-
Total (G)			52.50			1,862.01			4,617.50		
Total (A+B+C+D+E+F+G)			6,177.45			1,862.01			4,617.50		

Refer note 3. Fair value measurement for valuation methodologies for investments



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

14. Other financial assets

Margin placed with broker (refer note 9.A)
Accrued interest on margin
Advances recoverable in cash or in kind or for value to be received

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Margin placed with broker (refer note 9.A)	500.92	666.34	19.33
Accrued interest on margin	18.23	1.78	-
Advances recoverable in cash or in kind or for value to be received	15.25	-	-
	534.40	668.12	19.33

15. Current tax assets (net)

Advance income taxes (Net of provision for tax)

Advance income taxes (Net of provision for tax)	156.63	147.32	146.82
	156.63	147.32	146.82

16. Deferred tax assets (net)

Deferred tax assets / (Liabilities)

Loans / Security Receipts

Provision for expected credit loss

234.74 168.31 303.74

Receivables

Provision for expected credit loss

18.55 -

Investments and other financial instruments

Long term capital loss

21.51 21.39 17.39

Employee benefit obligations

Disallowances under section 43B of the Income Tax Act, 1961

1.87 5.21 0.82

Fair valuation of employee stock options

- - 8.54

Borrowings

Adjustment of effective interest rate on borrowings

(0.03) 66.83 64.69

Property, plant and equipment and intangibles

Difference between book and tax depreciation

(0.28) (0.37) (0.07)

Investments and other financial instruments

Unrealised (gain) / loss on derivative transactions (net)

39.80 (21.66) 5.25

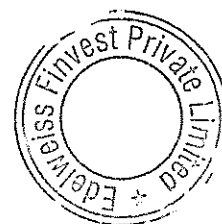
Unrealised (gain) / loss on investments (net)

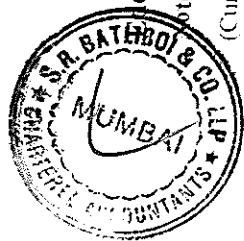
(54.97) (125.49) (71.24)

Others

- - (42.15)

	261.19	114.22	286.97
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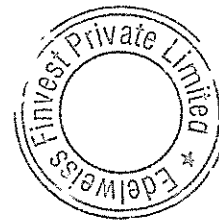


Edelweiss Finvest Private Limited
Notes to the financial statements for the year ended March 31, 2020
(Currency: Indian rupees in million)

17. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment				Intangible Assets	
	Building (Flat) ₹	Vehicles	Office equipment	Computers	Computer Software	Total
Deemed cost						
As at April 1, 2018	1.10	-	-	0.14	-	1.24
Additions	-	0.80	-	0.40	6.93	8.13
Disposals	-	(0.80)	-	-	-	(0.80)
as at March 31, 2019	1.10	-	-	0.54	6.93	8.57
Additions	-	1.06	-	0.33	0.01	1.40
Disposals	-	-	-	(0.11)	-	(0.11)
as at March 31, 2020	1.10	1.06	-	0.76	6.94	9.86
Depreciation / Amortisation:						
As at April 1, 2018	0.05	-	-	0.06	-	0.11
Depreciation/amortisation for the year	0.05	0.13	-	0.13	0.58	0.89
Disposals	-	(0.13)	-	-	-	(0.13)
as at March 31, 2019	0.10	-	-	0.19	0.58	0.87
Depreciation/amortisation for the year	0.05	0.08	-	0.39	2.31	2.83
Disposals	-	-	-	(0.08)	-	(0.08)
as at March 31, 2020	0.15	0.08	-	0.50	2.89	3.62
Net Book Value						
As at March 31, 2018	1.05	-	-	0.08	-	1.13
As at March 31, 2019	1.00	-	-	0.35	6.35	7.70
As at March 31, 2020	0.95	0.98	-	0.26	4.05	6.24

₹ Charge against secured redeemable non-convertible debentures (Refer note 20.A)

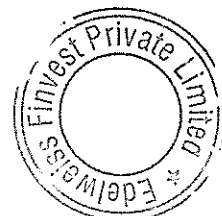


Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency : Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
18. Other non-financial assets (Unsecured considered good, unless stated otherwise)			
Input tax credit	74.67	100.20	55.69
Capital Advances	70.00	-	-
Prepaid expenses	0.01	0.50	0.50
Vendor Advances	1.77	0.85	2.70
Advances to employees	0.01	0.01	0.01
	146.46	101.56	58.90
19. Trade Payables			
Payable to :			
Trade payables to non-related parties	36.85	84.44	45.66
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)			
Trade payables to related parties	189.60	239.45	299.88
	226.45	323.89	345.54
19.A Details of dues to micro and small enterprises			
Trade Payables includes Rs.Nil (31 March, 19 : Rs.Nil & 31 March 2018 : 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.			
20. Debt securities			
<i>At amortised cost</i>			
<i>(Refer note 20.A and 20.B)</i>			
<u>Secured</u>			
Non-convertible redeemable debentures			
Privately placed	-	3,487.74	3,475.51
Benchmark linked debentures	10,138.76	15,798.30	12,373.73
<u>Unsecured</u>			
Non-convertible redeemable debentures			
Privately placed	-	-	-
Benchmark linked debentures	3,021.41	2,989.72	2,121.52
	13,160.17	22,275.76	17,970.76
Debt Securities in India	13,160.17	22,275.76	17,970.76
Debt Securities outside India	-	-	-
	13,160.17	22,275.76	17,970.76



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

20 Debt securities (continued)

20.A Details of debt securities :

Secured non-convertible redeemable debentures

Privately placed:

Privately placed debentures are secured by charge on immovable property and floating charge on receivables from financing business, securities held for trading.

Benchmark linked debentures

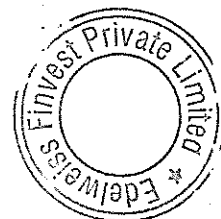
Benchmark linked debentures are secured by way of a pari passu mortgage and charge over the mortgage premises, a charge on the receivables from financing business and securities held for trading and corporate guarantee from the ultimate holding company.

In case of benchmark linked debentures, the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level (s).

20.B Maturity profile and rate of interest of debt securities are set out below:

Maturity Month	Secured Benchmark Linked Debentures Amount outstanding as at			Unsecured Benchmark Linked Debentures Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2020	March 31, 2019	March 31, 2018
Apr-2018	-	-	91.00	-	-	-
May-2018	-	-	563.30	-	-	-
Jun-2018	-	-	264.00	-	-	-
Jul-2018	-	-	549.00	-	-	-
Aug-2018	-	-	2,344.30	-	-	200.00
Sep-2018	-	-	405.30	-	-	15.00
Oct-2018	-	-	1,098.00	-	-	-
Nov-2018	-	-	28.50	-	-	-
Dec-2018	-	-	335.00	-	-	-
Jan-2019	-	-	140.20	-	-	-
Feb-2019	-	-	47.50	-	-	-
Mar-2019	-	-	337.00	-	-	-
Apr-2019	-	95.60	147.10	-	-	-
May-2019	-	652.90	658.10	-	-	-
Jun-2019	-	108.00	118.00	-	-	-
Jul-2019	-	287.00	298.00	-	-	-
Aug-2019	-	227.30	230.10	-	10.00	10.00
Sep-2019	-	724.70	184.90	-	10.00	10.00
Oct-2019	-	3,060.30	97.00	-	-	-
Nov-2019	-	30.00	36.00	-	-	-
Jan-2020	-	177.90	180.50	-	-	-
Feb-2020	-	129.50	132.00	-	-	-
Mar-2020	-	770.90	199.10	-	50.00	50.00
Apr-2020	-	-	-	-	-	-
May-2020	119.00	119.00	119.00	-	-	-
Jun-2020	544.40	544.40	546.40	-	-	-
Jul-2020	1,124.50	1,085.30	446.50	-	-	-
Aug-2020	108.00	108.00	108.00	380.00	380.00	380.00
Sep-2020	325.50	325.50	325.50	10.00	10.00	10.00
Oct-2020	45.50	45.50	57.50	32.50	32.50	32.50
Nov-2020	-	-	-	10.00	10.00	10.00
Dec-2020	10.00	10.00	12.00	20.00	20.00	20.00
Jan-2021	-	-	10.00	-	-	-
Mar-2021	10.00	-	-	-	-	-
Jul-2021	404.30	434.90	94.50	-	-	-
Sep-2021	887.10	874.00	212.50	-	-	-
Oct-2021	-	-	-	280.00	280.00	-
Dec-2021	12.50	12.50	-	-	-	-
Jan-2022	27.50	27.50	15.00	28.50	28.50	28.50
Feb-2022	768.90	760.80	650.30	10.00	10.00	10.00
Mar-2022	1,143.00	1,143.00	3.00	-	-	-
Apr-2022	15.00	-	-	-	-	-
May-2022	271.50	271.50	4.00	-	-	-
Jun-2022	2,348.60	2,348.60	-	-	-	-
Aug-2022	47.90	47.90	-	-	-	-
Sep-2022	10.00	10.00	-	-	-	-
Dec-2022	2.50	-	-	-	-	-



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

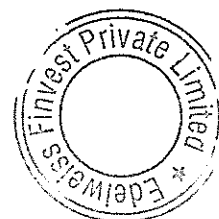
20.B Maturity profile and rate of interest of debt securities are set out below:

Maturity Month	Secured Benchmark Linked Debentures Amount outstanding as at			Unsecured Benchmark Linked Debentures Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2020	March 31, 2019	March 31, 2018
Dec-2023	7.50	-	-	-	-	-
Jan-2024	33.50	-	-	-	-	-
Feb-2024	4.70	-	-	-	-	-
Mar-2024	300.00	300.00	300.00	-	-	-
Jun-2027	170.00	170.00	170.00	-	-	-
Jan-2027	-	-	-	40.00	40.00	40.00
Jan-2028	-	-	-	1,924.00	1,924.00	1,235.00
	8,741.40	14,902.50	11,558.10	2,735.00	2,805.00	2,051.00
Associated accruals *	1,397.36	895.80	815.63	286.41	184.73	70.52
Total	10,138.76	15,798.30	12,373.73	3,021.41	2,989.72	2,121.52

20.C Maturity profile and rate of interest of debt securities are set out below:

Maturity Month	Secured non convertible debentures Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018
Rate of interest	9.10% p.a.	9.10% p.a.	9.10% p.a.
Apr-2019	-	3,500.00	3,500.00
	-	3,500.00	3,500.00
Associated accruals *	-	(12.26)	(24.49)
Total	-	3,487.74	3,475.51

* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment date for respective ISINs.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

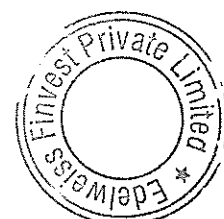
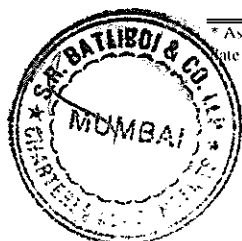
(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
21. Borrowings other than Debt Securities			
<i>At amortised cost</i>			
<u>Secured</u>			
Term loan from bank	219.36	324.78	424.63
(First Pari Passu charge on the current assets of the Company which includes trade and other receivables, loans and cash and cash equivalents with Letter of Comfort)			
(Refer note 21.A)			
<u>Unsecured</u>			
Inter corporate loan from others	-	12.40	12.21
(Repayable on demand, carry interest 31 March 2019 - 5.5% p.a. , March 31, 2018 - 5.5% p.a)			
Loan and advances from related parties	132.75	-	7,761.96
[Repayable on demand, carry interest - 12.25% p.a. (31 March 2019 - 10% p.a. & 31 March 2018 - 9% p.a)]			
	352.11	337.18	8,198.80
Borrowings in India	352.11	337.18	8,198.80
Borrowings outside India	-	-	-
	352.11	337.18	8,198.80

21.A Details of Borrowings other than Debt Securities

Maturity Month	Loan from banks - Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018
Rate of interest	11.00% p.a.	9.70% p.a.	8.55% p.a.
Jun-2018	-	-	25.00
Sep-2018	-	-	25.00
Dec-2018	-	-	25.00
Mar-2019	-	-	25.00
Jun-2019	-	25.00	25.00
Sep-2019	-	25.00	25.00
Dec-2019	-	25.00	25.00
Mar-2020	-	25.00	25.00
Jun-2020	25.00	25.00	25.00
Sep-2020	25.00	25.00	25.00
Dec-2020	25.00	25.00	25.00
Mar-2021	25.00	25.00	25.00
Jun-2021	25.00	25.00	25.00
Sep-2021	25.00	25.00	25.00
Dec-2021	25.00	25.00	25.00
Jun-2022	25.00	25.00	25.00
Mar-2022	25.00	25.00	25.00
	225.00	325.00	425.00
Associated accruals *	(5.64)	(0.22)	(0.37)
Total	219.36	324.78	424.63

* Associated accruals include interest accrued & effective interest rate amortisation. Interest accrued but not due is payable on next interest payment



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
22. Subordinated Liabilities			
<i>At amortised cost</i>			
<i>(Refer note 22.A)</i>			
<u>Unsecured</u>			
Subordinated debentures			
Privately placed redeemable non-convertible debentures	161.09	161.17	161.26
	161.09	161.17	161.26
Subordinated liabilities in India	161.09	161.17	161.26
Subordinated liabilities outside India	-	-	-
	161.09	161.17	161.26

22.A Maturity profile and rate of interest of subordinated liabilities are set out below:

Maturity Month	Unsecured subordinated liabilities - Interest Rate 11.00 % p.a. Amount outstanding as at		
	March 31, 2020	March 31, 2019	March 31, 2018
Jul-2025	150.00	150.00	150.00
	150.00	150.00	150.00
Add: interest accrued*	11.09	11.17	11.26
Total	161.09	161.17	161.26

* Interest accrued but not due is payable on next interest payment date.

23. Other financial liabilities

Accrued salaries and benefits	0.45	20.05	16.54
Bank overdraft	-	2.69	-
	0.45	22.74	16.54

24. Current tax liabilities (net)

Provision for taxation ((Net of advance tax)	163.23	77.40	66.45
	163.23	77.40	66.45

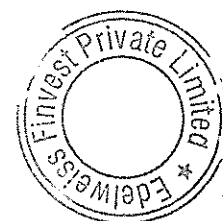
25. Provisions

Provision for employee benefits			
Gratuity (Refer note 37.A)	6.55	12.66	2.11
Compensated leave absences	0.87	2.24	0.25
	7.42	14.90	2.36

26. Other non-financial liabilities

Statutory liabilities*	13.45	36.94	18.17
Advances from customers	26.74		
Others	2.87	5.13	0.48
	43.06	42.07	18.65

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



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
27. Equity share capital						
Authorised :						
Equity Shares of Rs.10 each	3,50,00,000	350.00	3,50,00,000	350.00	3,50,00,000	350.00
Preference Shares of Rs.10 each	-	-	-	-	-	-
	3,50,00,000	350.00	3,50,00,000	350.00	3,50,00,000	350.00
Issued, Subscribed and Paid up:						
Equity Shares of Rs.10 each	3,33,25,875	333.26	3,33,25,875	333.26	3,33,25,875	333.26
	3,33,25,875	333.26	3,33,25,875	333.26	3,33,25,875	333.26

27.A Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	3,33,25,875	333.26	3,33,25,875	333.26	28,05,998	28.06
Shares issued during the year	-	-	-	-	3,05,19,877	305.20
Outstanding at the end of the year	3,33,25,875	333.26	3,33,25,875	333.26	3,33,25,875	333.26

Notes:

During the financial year 2017-18 the Company has issued 8,279,275 fully paid-up equity shares of Rs.10 each at a premium of Rs 168.35 each aggregating to Rs. 1,476.61 million to Edelweiss Financial Services Limited as part of consideration for acquisition of lending & investment business of Edelweiss Finance & Investments Limited

During the financial year 2017-18, the Company has issued 22,240,602 fully paid-up equity shares of Rs.10 each at par aggregating to Rs. 222.41 million for conversion of preference shares in to equity.

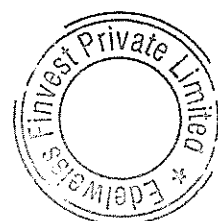
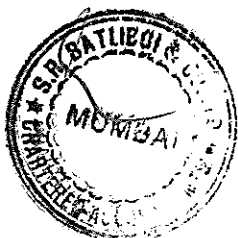
27.B Terms/rights attached to equity shares :

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.

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

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Ultimate Holding company						
Edelweiss Financial Services Limited	96,06,761	28.83%	82,79,275	24.84%	82,79,275	24.84%
Holding company						
ECap Equities Limited	2,24,59,720	67.39%	2,24,59,720	67.39%	2,24,59,720	67.39%
Fellow subsidiary company						
Edelweiss Securities Limited	12,59,394	3.78%	12,59,394	3.78%	12,59,394	3.78%
Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited)	-	-	13,27,486	3.98%	13,27,486	3.98%
	3,33,25,875	100.00%	3,33,25,875	100.00%	3,33,25,875	100.00%



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

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

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
ECap Equities Limited	2,24,59,720	67.39%	2,24,59,720	67.39%	2,24,59,720	67.39%
Edelweiss Financial Services Limited	96,06,761	28.83%	82,79,275	24.84%	82,79,275	24.84%
	<u>3,20,66,481</u>	<u>96.22%</u>	<u>3,07,38,995</u>	<u>92.24%</u>	<u>3,07,38,995</u>	<u>92.24%</u>

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

27.F The company has not issued any shares for consideration other than cash

28. Reconciliation of number of shares

a) 0.01 % Compulsorily convertible non- cumulative preference shares - Series A

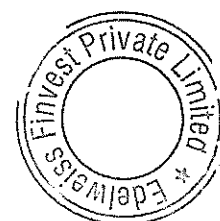
	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	3,33,700	3.34
Less: Shares cancelled on account of demerger	-	-	-	-	-	-
Less: Shares converted into equity shares	-	-	-	-	3,33,700	3.34
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

b) 0.01 % Compulsorily convertible non- cumulative preference shares - Series B

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	1,13,45,363	113.45
Less: Shares converted into equity shares	-	-	-	-	1,13,45,363	113.45
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

c) 0.01 % Compulsorily convertible non- cumulative preference shares - Series C

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	1,05,61,539	105.62
Less: Shares converted into equity shares	-	-	-	-	1,05,61,539	105.62
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

29. Other Equity

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
a. Capital redemption reserve	84.34	84.34	84.34
b. Securities premium reserve	3,743.44	3,915.88	3,752.55
c. Statutory reserve	1,229.58	1,142.60	801.00
d. Retained earnings	5,034.73	4,873.17	3,516.52
e. Deemed capital contribution - Equity	2.25	2.25	2.25
f. Deemed Distribution - Preference Capital (Holder)	(52.97)	-	-
	10,041.37	10,018.24	8,156.66

29.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 45-1C(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. During the current year the company has reinstated its retained earnings as at April 01, 2018 and accordingly incremental transfer amounting to Rs. 37.31 million has been considered in statutory reserve transfer made in the current year. (Refer Note 54)

d. Retained earnings

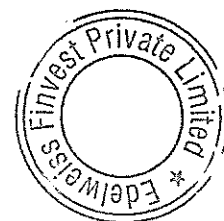
Retained earnings comprises of the Company's undistributed earnings after taxes.

e. Deemed capital contribution - Equity

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

f. Deemed Distribution - Preference Capital (Holder)

Represent discount on fair value of investment at the date of the investment in group company's preference shares as required under Ind AS 109. This amount will get amortise in Statement of profit and loss over maturity of such preference share.



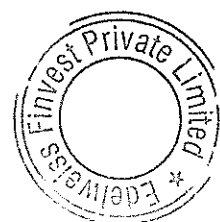
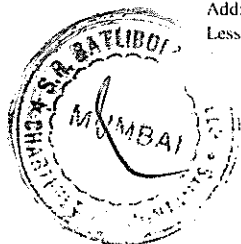
Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

29.B Movement in other equity

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
a. Capital redemption reserve			
Opening balance	84.34	84.34	84.34
Add : Additions during the year	-	-	-
	<u>84.34</u>	<u>84.34</u>	<u>84.34</u>
b. Securities premium reserve			
Opening balance	3,915.88	3,752.55	3,743.44
Add : Premium Received on issue of Debentures	-	163.33	9.11
Less: Premium transfer to financial liability	(172.44)	-	-
	<u>3,743.44</u>	<u>3,915.88</u>	<u>3,752.55</u>
c. Statutory reserve			
Opening balance	1,142.60	801.00	534.56
Add : Reserve created for the year	86.98	341.60	266.44
	<u>1,229.58</u>	<u>1,142.60</u>	<u>801.00</u>
d. Retained earnings			
Opening balance (Refer Note 54)	4,873.17	3,516.52	2,226.42
Add: Profit for the year	248.38	1,708.02	1,250.36
Less/Add : Other comprehensive income	0.16	(1.23)	0.05
Less/Add : Income tax effect of ESOPs	-	(8.54)	6.13
Add/Less : Deemed distribution during the year	-	-	300.00
	<u>5,121.71</u>	<u>5,214.77</u>	<u>3,782.96</u>
Amount available for appropriation	5,121.71	5,214.77	3,782.96
Appropriations:			
Transfer to statutory reserve	(86.98)	(341.60)	(266.44)
	<u>(86.98)</u>	<u>(341.60)</u>	<u>(266.44)</u>
	<u>5,034.73</u>	<u>4,873.17</u>	<u>3,516.52</u>
e. Deemed capital contribution - Equity			
Opening balance	2.25	2.25	0.68
Add : ESOPs charged during the year	-	-	1.57
	<u>2.25</u>	<u>2.25</u>	<u>2.25</u>
f. Deemed Distribution - Preference Capital (Holder)			
Opening balance	-	-	-
Add : Additions during the year	(52.97)	-	-
Less: Issue of equity shares	-	-	-
	<u>(52.97)</u>	<u>-</u>	<u>-</u>
g. Share capital pending allotment on account of merger			
Opening balance	-	-	82.79
Add: Consideration payable on merger	-	-	-
Less: Issue of equity shares	-	-	(82.79)
	<u>-</u>	<u>-</u>	<u>-</u>
Total = (a+b+c+d+e+f+g)	<u>10,041.37</u>	<u>10,018.24</u>	<u>8,156.66</u>

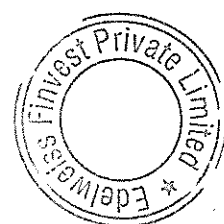
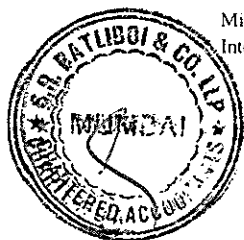


Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
30. Interest Income		
on financial assets measured at amortised cost		
Interest on loans	1,314.96	4,654.55
Interest on fixed deposits with banks	5.15	5.71
Interest income on preference shares	0.58	-
Other interest income		
On margin with brokers	123.48	1.86
on financial assets measured at fair value through profit or loss		
Interest income on debt securities	644.53	40.49
	2,088.70	4,702.61
31. Dividend Income		
Dividend on securities held for trading	0.71	170.11
Dividend on investment	-	0.07
	0.71	170.18
32. Fee income		
Processing and other fees	41.27	119.39
	41.27	119.39
33. Net gain on fair value changes (including treasury income)		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On investments and securities held for trading	(81.12)	(161.30)
On derivatives financial instrument	843.06	47.24
On security receipts (Refer Note in 36B)	333.23	379.66
	1,095.17	265.60
Fair value changes		
Realised	2,122.26	97.87
Unrealised	(1,027.09)	167.73
	1,095.17	265.60
34. Other income		
Miscellaneous income	0.48	0.01
Interest on Income Tax Refund	3.46	-
	3.94	0.01



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
35. Finance costs		
On financial liabilities measured at amortised cost		
Interest on borrowings other than debt securities	103.98	456.46
Interest on debt securities	1,521.42	1,633.64
Interest on subordinated liabilities	16.51	16.45
Other finance cost and bank charges	130.87	157.46
	1,772.78	2,264.01
36A Net loss on derecognition of financial instruments *		
On financial instruments measured at amortised cost		
Loss on Sale to ARC	20.13	-
36B Impairment on financial instruments*		
On financial instruments measured at amortised cost		
Expected credit loss		
Loans (including undrawn commitments)	451.02	120.52
Trade receivables	49.29	(0.93)
	500.31	119.59

* During the year ended March 31, 2020, the Company completed its re-assessment of probability of default, loss given default in respect of exposures to certain sectors that were experiencing operational challenges. Credit and market risks for certain counter parties increased significantly relative to such risks at initial recognition, resulting in recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended March 31, 2020. Management judgement for expected credit losses and gain/loss on fair values changes has been accentuated on account of factors caused by the COVID-19 pandemic. Accordingly, the Company has recorded for the year ended March 31, 2020 an amount of Rs.532.01 millions towards expected credit losses, write-offs, loss on sale to ARC Trusts and net loss on fair value changes

	For the year ended March 31, 2020	For the year ended March 31, 2019
37. Employee benefits expense		
Salaries and wages (refer note 38.D)	89.20	101.24
Contribution to provident and other funds	5.49	6.16
Expense on Employee Stock Option Scheme (ESOP) (refer note below)	3.21	4.65
Staff welfare expenses	1.51	0.71
	99.41	112.76

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.

37.A Employee Benefits

a) Defined contribution plan - Provident funds

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

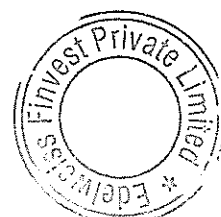
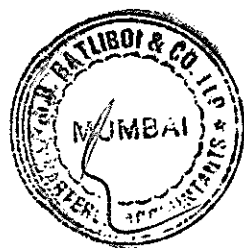
The Company recognised Rs. 3.99 million (Previous year - Rs. 3.56 million) for provident fund and other contributions in the Statement of profit and loss.

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 the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. 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



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

37.A Employee Benefits (continued)

b) Defined benefit plan - Gratuity

i) Movement in defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for defined benefit liability and its components:

Particulars	Defined benefit obligation	
	March 31, 2020	March 31, 2019
Opening Balance	12.66	2.11
Current service cost	1.05	1.95
Interest cost	0.44	0.64
	14.15	4.70
Other comprehensive Income		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience	(0.59)	1.67
Financial assumptions	0.38	0.22
	(0.21)	1.89
Others		
Transfer In/ (Out)	(6.42)	6.69
Benefits paid	(0.97)	(0.62)
Closing Balance	6.55	12.66

ii) Components of defined benefit plan cost:

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Recognised in Statement of profit or loss		
Current service cost	1.05	1.95
Interest cost	0.44	0.64
Total	1.49	2.59
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	(0.21)	1.89
Total	(0.21)	1.89

iii) Reconciliation of Fair Value of Plan Assets

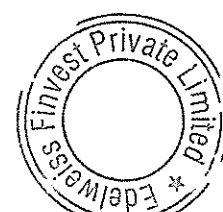
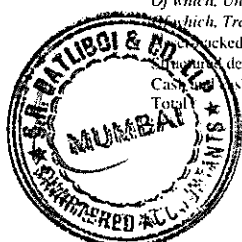
	As at March 31, 2020	As at March 31, 2019
Fair Value of Plan Assets at start of the year	-	-
Contributions by Employer	0.97	0.62
Benefits Paid	(0.97)	(0.62)
Interest Income on Plan Assets	-	-
Re-measurements	-	-
Return on plan assets excluding amount included in net interest on the	-	-
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
Fair Value of Plan Assets at end of the year	-	-
Actual Return on Plan Assets	-	-
Expected Employer Contributions for the coming year	-	-

iv) Net Liability/ (Asset) recognised in the Balance Sheet

	As at March 31, 2020	As at March 31, 2019
Present Value of DBO	6.55	12.66
Fair Value of Plan Assets	-	-
Liability/ (Asset) recognised in the Balance Sheet	6.55	12.66
Funded Status (Surplus/(Deficit))	(6.55)	(12.66)
Of which, Short term Liability	0.88	1.61
Experience Adjustment on Plan Liabilities: (Gain)/Loss	(0.59)	1.67

v) Percentage Break-down of Total Plan Assets

	As at March 31, 2020	As at March 31, 2019
Equity instruments	0%	0%
Debt instruments	0%	0%
Real estate	0%	0%
Derivatives	0%	0%
Investment Funds with Insurance Company	0%	0%
Of which, Unit Linked	0%	0%
Of which, Traditional/ Non-Unit Linked	0%	0%
Unbacked securities	0%	0%
Short term debt	0%	0%
Cash and cash equivalents	0%	0%
Total	0.00%	0.00%



vi) Movement in Other Comprehensive Income

	As at March 31, 2020	As at March 31, 2019
Balance at start of year (Loss)/ Gain	1.89	Nil
Re-measurements on DBO		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/ Gain from changes in financial assumptions	(0.38)	(0.22)
c. Actuarial (Loss)/ Gain from experience over the past year	0.59	(1.67)
Re-measurements on Plan Assets	-	-
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at end of year (Loss)/ Gain	(1.68)	(1.89)

vii) Movement in Surplus/ (Deficit)

	As at March 31, 2020	As at March 31, 2019
Surplus/ (Deficit) at start of year	(12.66)	(2.11)
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	6.42	(6.69)
Movement during the year	-	-
Current Service Cost	(1.05)	(1.95)
Past Service Cost	-	-
Net Interest on net DBO	(0.44)	(0.64)
Changes in Foreign Exchange Rates	-	-
Re-measurements - (Losses)/ Gains	0.21	(1.89)
Contributions/ Benefits	0.97	0.62
Surplus/ (Deficit) at end of year	(6.55)	(12.66)

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	5.90%	7.00%
Salary Growth Rate	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	13% - 25%	13% - 25%
Interest Rate on Net DBO (% p.a.)	7.00%	7.30%
Mortality Rate	IALM 2012-14	IALM 2012-14
Expected weighted average remaining working lives of employees	4	5

Notes:

- a) The discount rate are based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities.
b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.
c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity analysis:

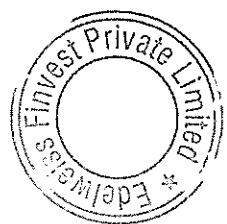
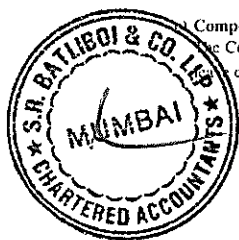
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below:

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.38	(0.35)	0.81	(0.74)
Discount Rate (+/- 1%)	(0.35)	0.39	(0.73)	0.82
Withdrawal Rate (+/- 1%)	(0.02)	0.02	(0.05)	0.05

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The encashment on separation is paid on basic salary.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
38. Other expenses		
Advertisement and business promotion	3.28	0.05
Auditors' remuneration (refer note 38.A)	1.78	1.78
Commission and brokerage	50.78	31.33
Communication	0.67	1.43
Directors' sitting fees	0.78	0.51
Insurance	0.01	-
Legal and professional fees	247.43	79.38
Printing and stationery	0.09	0.01
Rates and taxes	71.68	3.66
Rent (refer note 38.C and 38.D)	17.56	8.93
Repairs and maintenance (refer note 38.D)	0.17	0.11
Electricity charges (refer note 38.D)	-	0.89
Computer software	0.93	0.23
Corporate social responsibility - Donation (refer note 38.B)	-	5.00
Clearing & custodian charges	8.83	0.16
Rating support fees (refer note 38.D)	0.94	0.18
Membership and subscription	0.02	0.03
Office expenses (refer note 38.D)	0.67	53.30
ROC Expenses	0.02	0.07
Seminar & Conference	0.02	-
Goods & Service tax expenses	79.13	27.73
Stamp duty	20.68	-5.80
Travelling and conveyance	0.92	4.97
Miscellaneous expenses	0.90	1.50
Others	0.07	-
Housekeeping and security charges (refer note 38.D)	9.26	2.03
	516.62	217.48
38.A Auditors' remuneration:		
As a Auditor		
Audit fees	0.95	1.36
Limited Review	0.75	0.39
Reimbursement of expenses	0.08	0.03
	1.78	1.78
38.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.	33.70	23.94
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	5.00
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	5.00
Amount paid to EdelGive Foundation (refer note 45 related party disclosure)	-	5.00
Paid to external parties	-	5.00

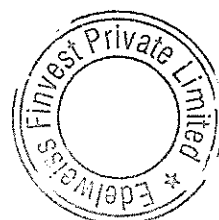
The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 308.14 million (Previous year: Rs. 225.19 million) (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 2020, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2020.

38.C Operating leases

The Company has not taken premises on operating lease. Rental expenses for the year ended 31 March 2020 aggregated to Rs. 17.56 million (Previous year: Rs. 8.93 million) which has been included under the head other expenses – Rent in the Statement of profit and loss are allocations from the fellow subsidiaries.

38.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 37 and 38 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 73.24 million (previous year Rs. 64.86 million).



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

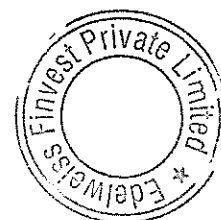
39. Income Tax

Component of income tax expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	276.76	680.12
Adjustment in respect of current income tax of prior years	(60.39)	(9.95)
Deferred tax relating to temporary differences	(147.04)	164.87
Total tax charge for the year (refer note 39.A)	69.33	835.04
Current tax	216.37	670.17
Deferred tax (refer note 39.B)	(147.04)	164.87

39.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (Loss) before taxes	317.71	2,543.06
Statutory Income Tax rate	25.168%	34.94%
Tax charge at statutory rate	79.96	888.65
Adjustment in respect of current income tax of prior year	(60.39)	(9.95)
Tax effect of :		
Income / Items not subject to tax or chargeable at lower tax rate		
Dividend Income	(0.18)	(59.47)
Non deductible expenses		
Others	4.41	8.16
Impact of tax rate changes (between two accounting periods)	26.23	6.90
Others		
Profit from EARC Trusts (taxed on realisation)	0.08	0.75
Others	19.22	-
Current Tax Expenses Reported in Statement of Profit and Loss	69.33	835.04
Effective Income Tax Rate	21.82%	32.84%





Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

39.B Movement of Deferred Tax assets

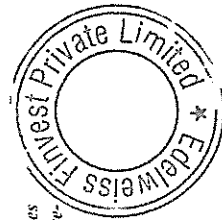
Financial Year 2019-20

	As on March 31, 2019	Movement for the period (2019-20)			As on March 31, 2020
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	
Deferred Tax Assets / (Liabilities) *					
Employee benefits obligations	5.21	(3.29)	(0.05)	-	1.87
Effective interest rate on financial liabilities	66.83	(66.86)	-	-	(0.03)
Expected credit loss provision on Loans / SR's	168.31	66.43	-	-	234.74
Expected credit loss provision on Receivables	-	18.55	-	-	18.55
Unused tax losses	21.39	0.12	-	-	21.51
Property, plant and equipment & intangible assets	(0.37)	0.09	-	-	(0.28)
Fair valuation of financial assets	(125.49)	70.52	-	-	(54.97)
Fair valuation of derivatives	(21.66)	61.46	-	-	39.80
Deferred Tax Asset (net)	114.22	147.02	(0.05)	-	261.19

Financial Year 2018-19

	As on April 1, 2018	Movement for the period (2018-19)			As on March 31, 2019
		Recognised in profit or loss	Recognised in OCI	Recognised in other equity	
Deferred Tax Assets					
Employee benefits obligations	0.82	3.73	0.66	-	5.21
Effective interest rate on financial liabilities	64.69	2.14	-	-	66.83
Tax break on employee stock option scheme	8.54	-	-	(8.54)	-
Expected credit loss provision	303.74	(135.43)	-	-	168.31
Unused tax losses	17.39	4.00	-	-	21.39
Deferred Tax Liabilities					
Property, plant and equipment & intangible assets	(0.07)	(0.30)	-	-	(0.37)
Fair valuation of financial assets	(71.24)	(54.25)	-	-	(125.49)
Fair valuation of derivatives	5.25	(26.91)	-	-	(21.66)
Others	(42.15)	42.15	-	-	-
Deferred Tax Asset (net)	286.97	(164.87)	0.66	(8.54)	114.22

* The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying Income tax at reduced rates. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020. The Company has also re-measured its deferred tax assets (net) basis the rate prescribed in the aforesaid section resulting in additional tax charge of Rs. 26.23 millions.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

40. 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 year.

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, 2020	For the year ended March 31, 2019
Net profit attributable to equity holders of the Company	(A)	248.38	1,708.02
Weighted average number of shares			
- Number of equity shares outstanding at the beginning of the year		3,33,25,875	3,33,25,875
- Number of equity shares issued during the year		-	-
Total number of equity shares outstanding at the end of the year		3,33,25,875	3,33,25,875
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(B)	3,33,25,875	3,33,25,875
Weighted average number of diluted equity shares outstanding during the year	(C)	3,33,25,875	3,33,25,875
Adjusted net profit for diluted EPS	(D)	248.38	1,708.02
Basic earnings per share (in rupees)	(A / B)	7.45	51.25
Diluted earnings per share (in rupees)	(D / C)	7.45	51.25

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at March 31, 2020 & March 31, 2019.

41. Contingent Liability & Commitment:

Contingent Liability

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.

Details of contingent liability

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Taxation matters of assessment year AY 2014-15 & AY 2015-16 in respect of which appeal is pending with tax authorities	114.88	46.38	46.38

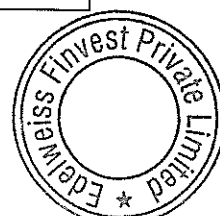
The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable 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.

Commitment

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

Details of commitment

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	0.06	1.96
b) Undrawn committed credit lines	1,639.89	8,823.44	828.12
c) Undrawn committed commitments on investments in AIF/ Venture Fund	3,345.13	233.87	269.84



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

42. Segment reporting

Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below

Segment	Activities covered
Capital based business	Income from investments and dividend income
Treasury business	Income from Treasury operations
Financing business	Wholesale and retail financing

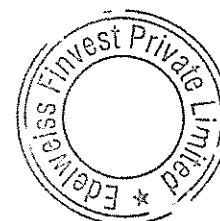
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Segment information as at and for the year ended March 31, 2020

Particulars	Financing business	Capital based business	Treasury Business	Unallocated	Total
Revenue from operations					
Interest income	1,314.96	5.73	768.01	-	2,088.70
Other operating income	41.27	132.99	962.89	3.94	1,141.09
Total revenue from operations	1,356.23	138.72	1,730.90	3.94	3,229.79
Interest expenses	738.36	75.52	942.34	16.55	1,772.78
Other expenses	783.11	26.45	329.82	0.02	1,139.40
Total expenses	1,521.47	101.98	1,272.16	16.57	2,912.18
Segment profit/(loss) before taxation	(165.24)	36.74	458.74	(12.63)	317.61
Income tax expenses	-	-	-	-69.33	(69.33)
Profit for the year	(165.24)	36.74	458.74	-81.96	248.28
Other comprehensive income	0.07	0.01	0.09	-	0.16
Total comprehensive income	(165.17)	36.75	458.82	(81.96)	248.44
Segment assets	12,602.60	2,952.77	8,751.86	417.82	24,725.05
Segment liabilities	5,882.39	707.71	7,597.10	163.23	14,350.44
Capital expenditure	0.59	0.06	0.75	-	1.40
Depreciation and amortisation	1.19	0.12	1.52	-	2.83
Significant non-cash items (net)	(497.25)	0.31	(1,023.19)	-	(1,520.13)



Edelweiss Finvest Private Limited

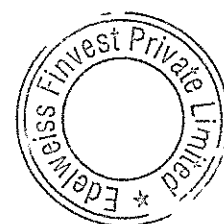
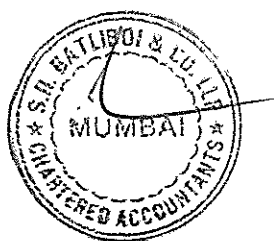
Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

42. Segment reporting (continued)

Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Treasury Business	Unallocated	Total
Revenue from operations					
Interest income	4,654.55	5.71	42.35	-	4,702.61
Other operating income	119.39	67.02	368.76	0.01	555.18
Total revenue from operations	4,773.94	72.73	411.11	0.01	5,257.79
Interest expenses	2,055.63	31.32	177.02	0.04	2,264.01
Other expenses	415.56	4.50	25.65	5.00	450.72
Total expenses	2,471.19	35.82	202.67	5.04	2,714.73
Segment profit/(loss) before taxation	2,302.75	36.91	208.44	(5.03)	2,543.06
Income tax expenses	-	-	-	(835.04)	(835.04)
Profit for the year	2,302.75	36.91	208.44	(840.07)	1,708.02
Other comprehensive income	(1.12)	(0.02)	(0.10)	(0.00)	(1.23)
Total comprehensive income	2,301.63	36.89	208.34	(840.07)	1,706.79
Segment assets	29,284.74	945.53	3,537.28	261.55	34,029.10
Segment liabilities	21,497.79	316.02	1,786.34	77.44	23,677.60
Capital expenditure	7.38	0.11	0.64	0.00	8.13
Depreciation and amortisation	0.81	0.01	0.07	0.00	0.89
Significant non-cash items (net)	(129.26)	(0.15)	166.90	(0.00)	37.49



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

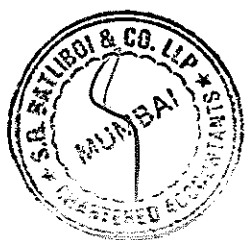
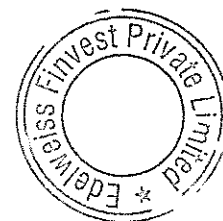
(Currency: Indian rupees in million)

43. Change in liabilities arising from financing activities

Particulars	As at April 01, 2019	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2020
Debt securities	22,275.76	(9,765.03)	-	649.44	13,160.17
Borrowings other than debt securities	337.18	(21.35)	-	36.28	352.11
Subordinated liabilities	161.17	0.00	-	(0.08)	161.09
	22,774.11	(9,786.38)	-	685.64	13,673.37

Particulars	As at April 01, 2018	Cash Flows	Changes in Fair value	Others (net)*	As at March 31, 2019
Debt securities	17,970.76	4,246.27	-	58.73	22,275.76
Borrowings other than debt securities	8,198.80	(7,861.77)	-	0.15	337.18
Subordinated liabilities	161.26	-	-	(0.09)	161.17
	26,330.82	(3,615.50)	-	58.79	22,774.11

* Includes the effect of accrued but not paid interest on borrowing, securities premium on issue of debt securities





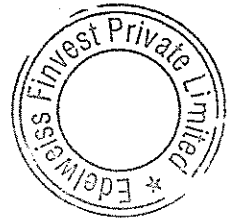
Edgewell Finvest Private Limited
to the financial statements for the year ended March 31, 2020
(in Indian rupees in million)

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, 2020			As at March 31, 2019			As at April 01, 2018		
	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	1,415.29	-	1,415.29	4,670.11	-	4,670.11	363.75	-	363.75
Derivative financial instruments	1,563.67	-	1,563.67	387.52	319.33	706.85	84.00	203.70	287.70
Securities held for trading	5,070.58	-	5,070.58	1,142.86	-	1,142.86	1,699.74	-	1,699.74
Trade receivables	2.60	-	2.60	21.34	-	21.34	12.85	-	12.85
Other receivables	2.78	-	2.78	26.46	-	26.46	10.60	-	10.60
Loans (on Gross Basis)	5,410.44	4,175.18	9,585.62	5,527.12	19,515.08	25,042.20	2,351.95	26,470.16	28,822.11
Investments	447.61	5,879.84	6,327.45	-	1,862.01	1,862.01	-	4,617.50	4,617.50
Other financial assets	534.40	-	534.40	668.12	-	668.12	19.33	-	19.33
Non-financial assets									
Current tax assets (net)	-	156.63	156.63	-	147.32	147.32	-	146.82	146.82
Deferred tax assets (net)	-	261.19	261.19	-	114.22	114.22	-	286.96	286.96
Property, Plant and Equipment	-	2.19	2.19	-	1.35	1.35	-	1.13	1.13
Other Intangible assets	-	4.05	4.05	-	6.35	6.35	-	-	-
Other non-financial assets	146.46	-	146.46	101.56	-	101.56	58.90	-	58.90
Total Assets	14,593.83	10,479.08	25,072.91	12,545.09	21,965.66	34,510.75	4,601.12	31,726.27	36,327.39
Financial Liabilities									
Derivative financial instruments	236.46	-	236.46	61.53	360.96	422.49	31.47	180.97	212.44
Trade payables	226.45	-	226.45	323.89	-	323.89	345.54	-	345.54
Debt securities	3,647.48	9,512.69	13,160.17	10,519.98	11,755.78	22,275.76	6,931.89	11,038.87	17,970.76
Borrowings (other than debt securities) *	232.75	119.36	352.11	112.40	224.78	337.18	7,874.17	324.63	8,198.80
Subordinated Liabilities	11.09	150.00	161.09	11.17	150.00	161.17	11.26	150.00	161.26
Other financial liabilities	0.45	-	0.45	22.74	-	22.74	16.34	-	16.34
Non-financial liabilities									
Current tax liabilities (net)	163.23	-	163.23	77.40	-	77.40	66.45	-	66.45
Provisions	0.34	7.08	7.42	3.46	11.44	14.90	-	2.36	2.36
Other non-financial liabilities	43.04	-	43.04	42.07	-	42.07	18.65	-	18.65
Total Liabilities	4,561.29	9,789.13	14,350.42	11,174.64	12,502.96	23,677.60	15,295.97	11,696.83	26,992.80
Net	10,032.54	689.95	10,722.49	1,370.45	9,462.70	10,833.15	-10,694.85	20,029.44	9,334.59

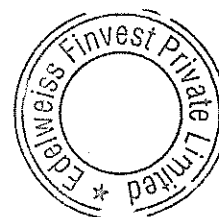
* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO activities has raised long term funds during the financial year 2018-19 & 2019-20 and has a positive ALM position as at March 31, 2019 and March 31, 2020



45. *Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"*

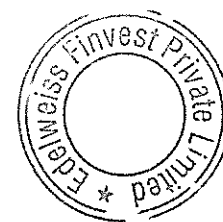
List of related parties and relationships:

Names of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate Holding company)	
Holding Company	Ecap Equities Limited	
Fellow subsidiaries with whom the transactions have taken place in current or previous Year	<p>Edelweiss Alternative Asset Advisors Limited</p> <p>Edelweiss Global Wealth Management Limited</p> <p>Edelweiss Finance & Investments Limited</p> <p>Edelweiss Rural & Corporate Services Limited</p> <p>Edelweiss Custodial Services Limited</p> <p>Edelweiss Broking Limited</p> <p>Edelweiss Tokio Life Insurance Company Limited</p> <p>Bernny Business Centre Limited (Merged with Ecap Equities Limited)</p> <p>Edelweiss Securities Limited</p> <p>ECL Finance Limited</p> <p>Edel Finance Company Limited</p> <p>Edelweiss Asset Management Limited</p> <p>Edelcap Securities Limited</p> <p>Edelweiss Finance and Investments Limited</p> <p>EdelGive Foundation</p> <p>Edelweiss Asset Reconstruction Company Limited</p> <p>Edelweiss Retail Finance Limited</p> <p>Edelweiss Private Equity Tech fund</p> <p>Edelweiss Value and Growth Fund</p>	
Key Management Personnel (KMP)	<p>Anil Dhawan</p> <p>Sheetal Gandhi (till 30th June 2019)</p> <p>Ritesh S Jain (from 27 December 2019 till 4 May 2020)</p> <p>Bhavin N Mehta (till 2 August 2018)</p> <p>Niket Joshi (from 2 May 2018 till 10 July 2019)</p> <p>Nishant Salvi (from 6 January 2020 to 31 March 2020)</p> <p>Ashish Kehar (from 23 May 2018)</p> <p>Puja D'souza</p> <p>Sanjay Shah (till 14th January 2020)</p> <p>Bharat Bakshi</p> <p>Kunnasagar Chinniah (till 12th December 2019)</p>	<p>Managing Director & CEO</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Manager</p> <p>Company Secretary</p> <p>Company Secretary</p> <p>Non-executive Director</p> <p>Non-executive Director</p> <p>Independent Director</p> <p>Independent Director</p> <p>Independent Director</p>



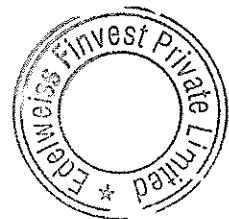
Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
Transactions with related parties:				
(i)	Capital account transactions			
1	Investments in preference shares (Face Value) of	Edelweiss Rural & Corporate Services Limited	500.00	-
2	Investments in units of	Edelweiss Value and Growth Fund	0.03	35.97
		Edelweiss Private Equity Tech fund	0.00	-
(ii)	Current account transactions			
1	Short term loans taken from (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	14,850.08	15,368.06
2	Short term loans repaid to (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	12,770.19	23,129.52
3	Short term loans given to (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	95,350.15	3,706.13
		Edel Finance Company Limited	1,190.00	1,200.00
		ECap Equities Limited	1,000.00	-
4	Short term loans given repaid by (Refer note 1 below)	Edelweiss Rural & Corporate Services Limited	79,898.08	3,502.04
		Edel Finance Company Limited	1,190.00	-
		ECap Equities Limited	990.00	-
5	Issue of - benchmark linked debentures	Edelweiss Rural & Corporate Services Limited	-	40.00
6	Redemption - benchmark linked debentures	ECap Equities Limited	297.13	5,782.62
		Edelweiss Rural & Corporate Services Limited	-	68.94
7	Redemption - Debentures by	Edelweiss Asset Reconstruction Company Limited	411.46	-
8	Buyback - benchmark linked debentures	ECap Equities Limited	4,179.13	98.28
9	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	74.42	448.96
10	Interest expense on benchmark linked debentures	ECap Equities Limited	2.08	604.22
		ECL Finance Limited	1.67	-
		Edelweiss Rural & Corporate Services Limited	0.71	13.94
11	Other Financial Cost Paid to	Edelweiss Asset Management Limited	51.83	-
		Edelweiss Broking Limited	1.91	-
		Edelweiss Alternative Asset Advisors Limited	87.02	-



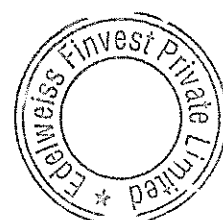
Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
Current account transactions				
12	Interest expense on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	16.38	16.45
13	Interest income received from securities	Edelweiss Retail Finance Limited	6.39	21.88
		Edelweiss Asset Reconstruction Company Limited	579.13	-
14	Interest income on short term loan from	ECap Equities Limited	17.11	-
		Edelcap Securities Limited	-	-
		Edelweiss Rural & Corporate Services Limited	71.43	40.97
		Edel Finance Company Limited	142.46	1.08
		Edelweiss Finance & Investments Limited	-	27.55
15	Interest income on margin from	Edelweiss Securities Limited	3.38	0.02
		Edelweiss Custodial Services Limited	120.09	1.84
16	Enterprise Service charges paid to	Edelweiss Financial Services Limited	0.03	-
		Edelweiss Rural & Corporate Services Limited	0.81	53.33
17	Management fee paid to	Edelweiss Alternative Asset Advisors Limited	-	34.32
18	Legal and professional fees paid to	Edelweiss Rural & Corporate Services Limited	0.01	-
19	Arranger fee paid to	ECL Finance Limited	-	17.36
		Edelweiss Retail Finance Limited	106.68	-
20	Loan portfolio transferred to	ECL Finance Limited	17,780.12	-
21	Cost reimbursement received from (net)	Edelweiss Financial Services Limited	1.67	0.83
		Edelweiss Rural & Corporate Services Limited	1.08	0.29
		ECL Finance Limited	-	0.02
		Edelweiss Broking Limited	0.19	0.35
		Edelweiss Securities Limited	3.84	-
		Edelweiss Custodial Services Limited	0.01	-
		ECap Equities Limited	0.02	0.44
		Edelweiss Asset Management Limited	13.35	0.07
		Edelweiss Alternative Asset Advisors Limited	28.41	0.63
22	Equity Investment Purchased from	ECap Equities Limited	205.20	-
		Edelweiss Rural & Corporate Services Limited	51.78	-
23	Other Investment Purchased from	ECap Equities Limited	1,653.40	-
		Edelcap Securities Limited	168.99	-
24	Shared Premises Cost paid (net)	Edelweiss Securities Limited	1.15	-
		ECap Equities Limited	6.34	4.73
		Edelweiss Rural & Corporate Services Limited	3.38	2.72
		Edelweiss Asset Management Limited	0.08	0.25
		Edelweiss Broking Limited	5.49	0.70
		Edelweiss Custodial Services Limited	0.09	-
		ECL Finance Limited	-	0.53
25	Rating Support fees paid to	Edelweiss Financial Services Limited	0.19	0.18
26	Corporate Social Responsibility	EdelGive Foundation	-	5.00
27	Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	5.75	121.52
28	Commission and Sub-brokerage paid to	Edelweiss Securities Limited	57.47	-
		Edelweiss Global Wealth Management Limited	33.95	26.77
28	Business Promotion Expenses paid to	Edelweiss Financial Services Limited	-	12.30
29	Loan purchased from	Edelweiss Rural & Corporate Services Limited	2,039.40	-
		ECap Equities Limited	4,704.70	-
30	Security Receipts Purchased from	Edelweiss Asset Reconstruction Company Limited	3,288.14	-
31	Security Receipts Sold to	Edelweiss Asset Reconstruction Company Limited	4,038.80	-
		ECL Finance Limited	-	1,833.30



Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
Current account transactions (continued)				
32	Clearing charges paid to	Edelweiss Custodial Services Limited	8.73	0.14
33	ESOP Cost	Edelweiss Financial Services Limited	-	4.65
		Edelweiss Securities Limited	2.14	-
		ECL Finance Limited	0.05	-
34	Remuneration to Key Management Personnel (Refer note 2)	Amit Dhasan	8.52	10.40
		Sheetal Gandhi	1.77	7.53
		Bhavini N Mehta	-	1.56
35	Directors' sitting fees	Sanjay Shah	0.32	0.25
		Bharat Bakshi	0.32	0.24
		Kunhasagarani Chinniah	0.14	0.02
(iii) Secondary market transactions				
1	Sale of securities (Stock in trade) to	ECL Finance Limited	665.86	3,592.75
		Edelweiss Finance & Investments Limited	0.84	102.42
		Edelweiss Rural & Corporate Services Limited	128.49	1,028.03
		Edelweiss Retail Finance Limited	-	244.34
		ECap Equities Limited	-	648.85
2	Purchase of securities (Stock in trade) from	ECL Finance Limited	1,363.93	-
		ECap Equities Limited	97.49	-
		Edelweiss Finance & Investments Limited	101.35	-
		Edelweiss Rural & Corporate Services Limited	3,552.54	1,163.28
		Edelweiss Alternative Asset Advisors Limited	0.93	-
5	Sale of Loan to	Edelweiss Asset Reconstruction Company Limited	-	-
3	Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	9,946.04	589.89
4	Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	10,137.27	707.22
5	Margin placed with broker	Edelweiss Custodial Services Limited	37,158.33	690.03
		Edelweiss Securities Limited	637.10	0.53
		Edelweiss Broking Limited	1,537.60	-
6	Margin withdrawn from broker	Edelweiss Custodial Services Limited	37,478.36	37.74
		Edelweiss Securities Limited	593.79	1.39
		Edelweiss Broking Limited	1,537.67	-
7	Sale of Securities receipts to	ECL Finance Limited	-	1,833.30
7	Purchase of Property, Plant & Equipment	ECL Finance Limited	0.60	0.19
		Edelweiss Alternative Asset Advisors Limited	0.04	-
		Edelweiss Broking Limited	0.13	0.88
		Edelweiss Custodial Services Limited	0.01	0.00
		Edelweiss Financial Services Limited	0.00	0.00
		Edelweiss Global Wealth Management Limited	0.00	-
		Edelweiss Rural & Corporate Services Limited	0.03	-
		Edelweiss Securities Limited	0.48	-
		-	-	-
8	Sale of Property, Plant & Equipment	ECL Finance Limited	0.00	-
		Edelweiss Broking Limited	0.02	-
		Edelweiss Rural & Corporate Services Limited	0.00	-
(iv) Balances with related parties				
1	Investments in equity shares	Edelweiss Retail Finance Limited	264.00	264.00
		Edelweiss Asset Reconstruction Company Limited	326.14	326.14
2	Investments in units of	Edelweiss Private Equity Tech fund	136.73	88.41
		Edelweiss Value and Growth Fund	325.50	210.27
3	Subordinate debt issued to	Edelweiss Tokio Life Insurance Company Limited	150.00	150.00
4	Benchmark Debentures held by	ECap Equities Limited	70.00	195.55
		ECL Finance Limited	56.00	-
		Edelweiss Rural & Corporate Services Limited	24.00	-
5	Debenture and bonds / Securities held for Trading at fair value of	Edelweiss Retail Finance Limited	38.51	-
		Edelweiss Asset Reconstruction Company Limited	4,248.02	-
6	Investment in Preference Shares at Fair value held of	Edelweiss Rural & Corporate Services Limited	447.61	-
7	Interest accrued on benchmark linked debentured held by	ECap Equities Limited	5.20	1.78
		ECL Finance Limited	4.16	-
		Edelweiss Rural & Corporate Services Limited	1.78	-
8	Interest accrued on subordinate debt	Edelweiss Tokio Life Insurance Company Limited	11.09	11.17

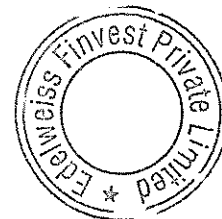


Disclosure of Related Party Transactions, pursuant to IND AS 24 "Related Party Transactions"

Sr.No.	Nature of Transaction	Related Party Name	2019-20	2018-19
Balances with related parties (continued)				
9	Short term loans taken from	Edelweiss Rural & Corporate Services Limited	96.58	-
10	Short term loans given to	Edelweiss Rural & Corporate Services Limited	0.51	203.60
		Edel Finance Company Limited	1,200.00	1,200.00
		ECap Equities Limited	1,005.00	-
11	Trade Payables to	Edelweiss Financial Services Limited	7.39	142.90
		Edelweiss Securities Limited	27.46	0.25
		ECL Finance Limited	119.17	24.01
		ECap Equities Limited	0.63	2.23
		Edelweiss Alternative Asset Advisors Limited	18.70	34.92
		Edelweiss Global Wealth Management Limited	8.12	8.04
		Edelweiss Rural & Corporate Services Limited	0.74	31.49
		Edelweiss Asset Management Limited	6.20	0.09
		Edelweiss Broking Limited	0.53	0.18
		Edernity Business Centre Limited (Merged with ECap Equities Limited)	0.00	0.00
12	Other Payable	Edelweiss Securities Limited	2.27	-
		Edelweiss Asset Management Limited	0.04	-
		ECL Finance Limited	0.37	-
		Edelweiss Broking Limited	2.57	-
		Edelweiss Alternative Asset Advisors Limited	1.30	-
		Edelweiss Finance and Investments Limited	0.74	-
13	Trade Receivables from	ECL Finance Limited	-	17.34
		Edelweiss Securities Limited	-	1.11
		Edelweiss Custodial Services Limited	-	1.78
		Edelweiss Rural & Corporate Services Limited	0.02	0.06
		Edelweiss Finance & Investments Limited	2.38	2.22
		Edelweiss Financial Services Limited	-	0.13
		ECap Equities Limited	-	0.02
		Edelweiss Alternative Asset Advisors Limited	-	0.03
		Edelweiss Broking Limited	0.32	4.03
		Edelweiss Rural & Corporate Services Limited	0.02	-
14	Interest receivable-Accrued -Group Company	Edelweiss Rural & Corporate Services Limited	3.77	17.57
		Edel Finance Company Limited	9.59	0.98
		ECap Equities Limited	6.25	-
		Edelweiss Securities Limited	0.63	-
		Edelweiss Custodial Services Limited	17.60	-
15	Interest payable -Accrued -Group company	Edelweiss Rural & Corporate Services Limited	36.17	-
16	Interest receivable - accrued on debentures and bonds of	Edelweiss Retail Finance Limited	1.83	-
		Edelweiss Asset Reconstruction Company Limited	0.97	-
17	Margin placed with broker	Edelweiss Custodial Services Limited	347.65	667.67
		Edelweiss Securities Limited	153.28	-
18	Corporate Guarantee taken from	Edelweiss Financial Services Limited	2,749.30	5,030.10

Notes

- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 - Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis. Remuneration to KMP's shall be within the limit as prescribed by the Companies act.
- Previous year's figures have been recast/restated where necessary.



Edelweiss Finvest Private Limited**Notes to the financial statements for the year ended March 31, 2020**

(Currency: Indian rupees in million)

46. 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:

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

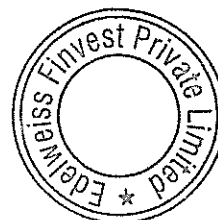
This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

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, 2020	As at March 31, 2019	As at April 01, 2018
Capital Funds			
Net owned funds (Tier I capital)	3,568.11	8,744.79	4,327.38
Tier II capital	150.57	589.86	670.56
Total capital funds	3,718.68	9,334.65	4,997.94
Total risk weighted assets/ exposures	18,735.99	32,828.41	18,150.75
% of capital funds to risk weighted assets/exposures:			
Tier I capital	19.05%	26.64%	23.84%
Tier II capital	0.80%	1.80%	3.69%
Total capital Funds	19.85%	28.44%	27.53%

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 Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

47. Fair Value measurement:

47.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 4.10 for more details on fair value hierarchy

47.B Valuation governance framework

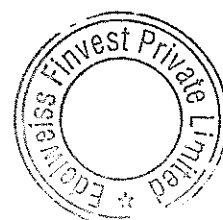
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by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

47.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, 2020	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	63.56	125.47		189.03
Embedded derivatives in benchmark-linked debentures	-	-	1,391.66	1,391.66
Total derivative financial instruments - A	63.56	125.47	1,391.66	1,580.69
Financial assets held for trading				
Other debt securities	-	4,910.66		4,910.66
Equity instruments	159.92			159.92
Total financial assets held for trading - B	159.92	4,910.66	-	5,070.58
Investments				
Equity shares	-	-	214.10	214.10
Preference shares	-	-	36.99	36.99
Security receipts	-	-	2,703.45	2,703.45
Units of AIF	-	-	2,163.64	2,163.64
Units of venture fund	-	-	119.02	119.02
Warrants	-	-	52.50	52.50
Total investments measured at fair value - C	-	-	5,289.70	5,289.70
Total (A+B+C)	223.48	5,036.13	6,681.36	11,940.97
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	59.86	100.01	-	159.87
Embedded derivatives in benchmark-linked debentures	-	-	109.05	109.05
	59.86	100.01	109.05	268.92



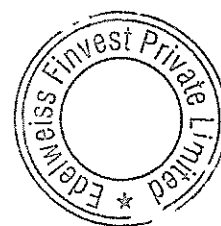
Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

47. Fair Value measurement: (Continued)

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	413.69	-	-	413.69
Embedded derivatives in benchmark-linked debentures	-	-	327.50	327.50
Total derivative financial instruments - A	413.69	-	327.50	741.19
Financial assets held for trading				
Other debt securities	-	1,142.87	-	1,142.87
Equity instruments	-	-	-	-
Mutual fund units	-	-	-	-
Total financial assets held for trading - B	-	1,142.87	-	1,142.87
Investments				
Equity shares	-	-	6.58	6.58
Preference shares	-	-	37.27	37.27
Security receipts	-	-	845.69	845.69
Units of AIF	-	-	290.68	290.68
Units of venture fund	-	-	91.65	91.65
Total investments measured at fair value - C	-	-	1,271.87	1,271.87
Total (A+B+C)	413.69	1,142.87	1,599.37	3,155.93
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	2.57	-	-	2.57
Embedded derivatives in benchmark-linked debentures	-	-	422.49	422.49
	2.57	-	422.49	425.06
As at April 01, 2018	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Derivative financial instruments	1.90	-	-	1.90
Embedded derivatives in benchmark-linked debentures	-	-	287.67	287.67
Total derivative financial instruments - A	1.90	-	287.67	289.57
Financial assets held for trading				
Other debt securities	-	101.01	-	101.01
Equity instruments	100.00	-	-	100.00
Mutual fund units	1,498.73	-	-	1,498.73
Total financial assets held for trading - B	1,598.73	101.01	-	1,699.74
Investments				
Equity shares	-	-	3.63	3.63
Preference shares	-	-	25.69	25.69
Security receipts	-	-	3,692.00	3,692.00
Units of AIF	-	-	223.67	223.67
Units of venture fund	-	-	82.37	82.37
Total investments measured at fair value - C	-	-	4,027.36	4,027.36
Total (A+B+C)	1,600.63	101.01	4,315.03	6,016.67
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Derivative financial instruments	11.12	-	-	11.12
Embedded derivatives in benchmark-linked debentures	-	-	212.44	212.44
	11.12	-	212.44	223.56



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

47. Fair Value measurement: (Continued)

D. Valuation techniques:

Debt securities:

Fair value of debt securities 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.

Security receipts

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments, preference shares, warrants 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. Unquoted equity instruments, preference shares and warrants are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. All unquoted instruments are classified as Level 3.

Units of AIF Fund and Venture Fund

Units held in AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3.

Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible including prices available from exchanges, dealers, brokers. Company classify these embedded derivative as level 3 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, 2020 and March 31, 2019.

F. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

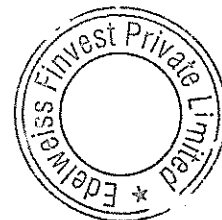
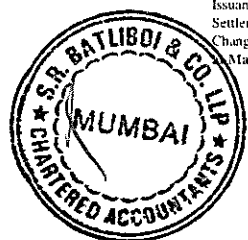
Financial year ended March 2020	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Preference Shares	Warrants	Total
Investments - at April 1, 2019	845.69	290.68	91.65	6.58	37.27	-	1,271.87
Purchase	7,047.59	1,780.05	-	256.97	-	150.00	9,234.61
Sale / redemption	(4,873.40)	(243.90)	(0.91)	-	-	-	(5,118.21)
Transfer into level 3	-	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-	-
Profit / Fair value change for the year recognised in profit or loss	(1316.43)	336.81	28.28	(49.45)	(0.28)	(97.50)	(98.57)
Investments - at March 31, 2020	2,703.45	2,163.64	119.02	214.10	36.99	52.50	5,289.70
Unrealised gain/(Loss) related to balances held at the end of the year	(574.93)	358.79	59.13	(44.61)	(0.28)	(112.06)	(313.96)

Financial year ended March 2019	Security receipts	Units of AIF	Units of venture fund	Equity instruments	Preference Shares	Other Securities	Total
Investments - at April 1, 2018	3,692.00	223.67	82.37	3.63	25.69	-	4,027.36
Purchase	5,302.21	35.97	-	-	-	-	5,338.18
Sale / redemption	(8,350.50)	-	-	-	-	-	(8,350.50)
Transfer into level 3	-	-	-	-	-	-	-
Transfer from level 3	-	-	-	-	-	-	-
Profit / Fair value change for the year recognised in profit or loss	201.98	31.04	9.28	2.95	11.58	-	256.83
Investments - at March 31, 2019	845.69	290.68	91.65	6.58	37.27	-	1,271.87
Unrealised gain/(Loss) related to balances held at the end of the year	311.21	38.56	21.66	4.84	(2.73)	-	373.54

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial year ended March 2020	Assets	Embedded Options Liabilities	Net Balance
at April 1, 2019	327.50	422.49	(94.99)
Issuances	(1.58)	2.12	(3.70)
Settlements	(60.13)	61.53	(121.66)
Changes in fair value recognised in profit or loss	1,657.45	(467.89)	2,125.34
Investments - at March 31, 2020	1,391.66	109.05	1,282.61

Financial year ended March 2019	Assets	Embedded Options Liabilities	Net Balance
at April 1, 2018	287.67	212.44	75.23
Issuances	244.04	208.91	35.13
Settlements	71.95	42.29	29.66
Changes in fair value recognised in profit or loss	(276.16)	(41.15)	(235.01)
Investments - at March 31, 2019	327.50	422.49	(94.99)





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Notes to the financial statements for the year ended March 31, 2020

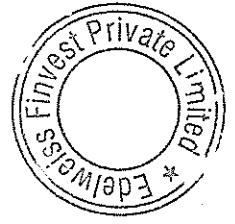
(Currency: Indian rupees in million)

47. Fair Value measurement: (Continued)

G Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on 31 March 2020	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,703.45	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	1,710.30	5% increase in Expected future Cash flow	3.86	5% Decrease in Expected future Cash flow	(3.86)
			Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(1.07)	0.5% Decrease in Risk-adjusted discount rate	1.09
Units of AIF	2,163.64	Net Asset approach	Fair value of underlying investments	Rs. 153 to Rs. 240,320 per unit	5% Increase in Fair value of Underlying Investment	108.18	5% Decrease in Fair value of Underlying Investment	(108.18)
Units of venture fund	119.02	Net Asset approach	Fair value of underlying investments	Rs. 197,289 to Rs. 217,942 per unit	5% Increase in Fair value of Underlying Investment	5.95	5% Decrease in Fair value of Underlying Investment	(5.95)
Unquoted equity shares	214.10	Comparable transaction and P/E	Fair value per share	Rs. 1.40 to Rs. 18.117 per share	5% Increase in Fair value	10.71	5% Decrease in Fair value	(10.71)
Warrants	52.50	Comparable transaction and P/E	Fair value per unit	Rs. 3.5 per unit of Warrants	5% Increase in Fair value	2.63	5% Decrease in Fair value	(2.63)
Unquoted preference shares	36.99	Comparable transaction and P/E	Fair value per share	Rs. 7.141 per share	5% Increase in Fair value	1.85	5% Decrease in Fair value	(1.85)
Embedded derivatives (net)	1,282.61	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	8,597.75	5% increase in Nifty Index curve	12.25	5% Decrease in Nifty Index curve	(11.31)
			Risk-adjusted discount rate	4.50% to 6%	1% increase in Risk-adjusted discount rate	4.11	1% Decrease in Risk-adjusted discount rate	(4.12)





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Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

G Fair Value measurement: (Continued)

F. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs (continued)

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Securities receivables	845.69	Discounted Cash flow: The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	308.58	5% increase in Expected future Cash flow	41.53	5% Decrease in Expected future Cash flow	(41.53)
Units of AIF	290.68	Net Asset approach	Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(9.97)	0.5% Decrease in Risk-adjusted discount rate	10.19
Units of venture fund	91.65	Net Asset approach	Fair value of underlying investments	Rs. 107,701 to Rs. 141,337 per unit	5% Increase in Fair value of Underlying Investment	14.53	5% Decrease in Underlying Investment	(14.53)
Unquoted equity shares	6.58	Comparable transaction and P/E	Fair value of underlying investments	Rs. 125,966 to Rs. 198,558 per unit	5% Increase in Fair value of Underlying Investment	4.58	5% Decrease in Underlying Investment	(4.58)
Unquoted preference shares	37.25	Comparable transaction and P/E	Fair value per share	Rs. 182 per share	5% Increase in Fair value	0.33	5% Decrease in Fair value	(0.33)
Embedded derivatives (net)	94.09	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Fair value per share	Rs. 7,141 per share	5% Increase in Fair value	1.86	5% Decrease in Fair value	(1.86)
			Nifty level	11,023.9	5% increase in Market Index curve	(21.70)	5% Decrease in Market Index curve	23.18
			Risk-adjusted discount rate	1.00%	0.5% increase in Risk-adjusted discount rate	(7.36)	0.5% decrease in Risk-adjusted discount rate	7.61





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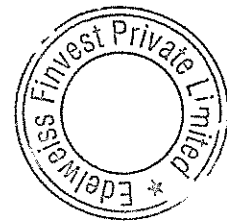
Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in millions)

G Fair Value measurement: (Continued)

F. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs (continued)

Type of Financial Instruments	Fair value of asset as on 31 March 2018	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	3,692.00	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust	Expected future cash flows	277.14	5% increase in Expected future Cash flow	125.95	5% Decrease in Expected future Cash flow	(125.95)
Units of AIF	223.67	Net Asset approach	Risk-adjusted discount rate	12%	0.5% increase in Risk-adjusted discount rate	(34.56)	0.5% Decrease in Risk-adjusted discount rate	35.36
Units of venture fund	82.37	Net Asset approach	Fair value of underlying investments	Rs. 101.435 to Rs. 109.179 per unit	5% Increase in Fair value of Underlying Investment	11.18	5% Decrease in Fair value of Underlying Investment	(11.18)
Unquoted equity shares	3.63	Comparable transaction and P/E	Fair value of underlying investments	Rs. 114,692 to Rs. 156,471 per unit	5% Increase in Fair value of Underlying Investment	4.12	5% Decrease in Fair value of Underlying Investment	(4.12)
Unquoted preference shares	25.69	Comparable transaction and P/E	Fair value per share	Rx. 101 per share	5% Increase in Fair value	0.18	5% Decrease in Fair value	(0.18)
Embedded derivatives (net)	75.23	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Fair value per share	Rs. 4.923 per share	5% Increase in Fair value	1.28	5% Decrease in Fair value	(1.28)
			Market Index Curve	5%	5% increase in Market Index curve	(3.39)	5% Decrease in Market Index curve	3.39
			Risk-adjusted discount rate	10.25%	0.5% increase in Risk-adjusted discount rate	0.41	0.5% increase in Risk-adjusted discount rate	(0.41)



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Notes to the financial statements for the year ended March 31, 2020

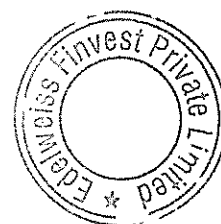
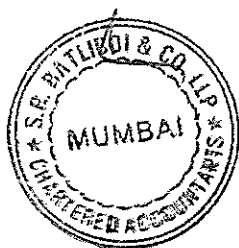
(Currency: Indian rupees in million)

47. Fair Value measurement: (Continued)

H. 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, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans	9,237.76	-	-	9,054.14	9,054.14
Investments	1,037.75	-	590.14	447.61	1,037.75
Total Financial Assets	10,275.51	-	590.14	9,501.75	10,091.89
Financial Liabilities					
Debt securities	13,160.17	-	10,938.88	-	10,938.88
Borrowings (other than debt securities)	352.11	-	361.69	-	361.69
Subordinated Liabilities	161.09	-	174.00	-	174.00
Total Financial Liabilities	13,673.37	-	11,474.57	-	11,474.57
Off balance-sheet items					
Undrawn commitments	1,639.89	-	-	658.81	658.81
Total Off balance-sheet items	1,639.89	-	-	658.81	658.81
As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans	24,560.55	-	-	24,817.05	24,817.05
Investments	590.14	-	590.14	-	590.14
Total Financial Assets	25,150.69	-	590.14	24,817.05	25,407.19
Financial Liabilities					
Debt securities	22,275.76	-	18,867.53	-	18,867.53
Borrowings (other than debt securities)	337.18	-	342.34	-	342.34
Subordinated Liabilities	161.17	-	169.78	-	169.78
Total Financial Liabilities	22,774.11	-	19,379.65	-	19,379.65
Off balance-sheet items					
Undrawn commitments	8,823.44	-	-	3,700.92	3,700.92
Total Off balance-sheet items	8,823.44	-	-	3,700.92	3,700.92



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

47. Fair Value measurement: (Continued)

As at April 01, 2018	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans	27,977.43	-	-	27,904.85	27,904.85
Investments	590.14	-	590.14	-	590.14
Total Financial Assets	28,567.57	-	590.14	27,904.85	28,494.99
Financial Liabilities					
Debt securities	17,970.76	-	15,883.42	-	15,883.42
Borrowings (other than debt securities)	8,198.80	-	8,321.57	-	8,321.57
Subordinated Liabilities	161.26	-	180.36	-	180.36
Total Financial Liabilities	26,330.82	-	24,385.35	-	24,385.35
Off balance-sheet items					
Undrawn commitments	828.12	-	-	293.49	293.49
Total Off balance-sheet items	828.12	-	-	293.49	293.49

I. 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

Carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, trade payables approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities is not significant in each of the years presented.

Financial assets at amortised cost

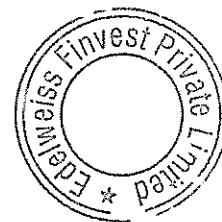
The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows after applying the credit conversion factor, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management

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.

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 Edelweiss Group 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 Edelweiss Group 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.

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.

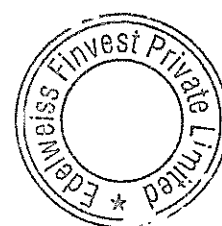
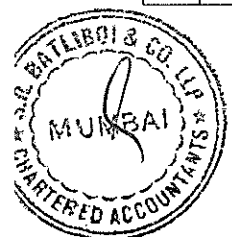
It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

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.

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
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.
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.
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.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management

48.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.

Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage 1
Standard grade	31 to 90 dpd	Stage 2
Non-performing		
Individually impaired	90+ dpd	Stage 3

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Significant increase in credit risk (SICR)

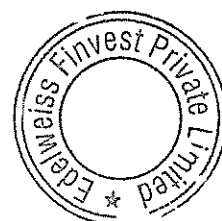
Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency : Indian rupees in million)

48. Risk Management (continued)

48.D.1 Credit Risk (continued)

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula.

$$EAD = \text{Drawn Credit Line} + \text{Credit Conversion Factor} \times \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions "

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome

Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

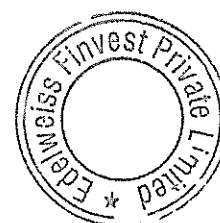
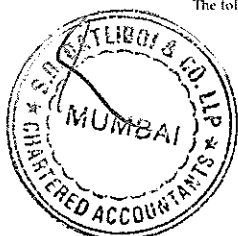
Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

48.D.2 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



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (continued)

Credit Risk (continued)

48.D.2 Industry analysis - Risk concentration as at 31 March 2020

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
Financial Assets									
Cash and cash equivalents	1,415.29	-	-	-	-	-	-	-	1,415.29
Derivative financial instruments	1,563.67	-	-	-	-	-	-	-	1,563.67
Securities held for trading	4,923.39	-	-	-	-	-	-	147.19	5,070.58
Trade receivables	-	-	-	-	-	-	-	2.60	2.60
Other receivables	2.78	-	-	-	-	-	-	-	2.78
Loans	2,225.12	-	-	2,218.18	-	-	5,142.32	-	9,585.62
Investments	1,066.15	-	-	-	2,677.59	-	-	2,583.71	6,327.45
Other financial assets	534.40	-	-	-	-	-	-	-	534.40
Total Assets	11,730.80	-	-	2,218.18	2,677.59	-	5,142.32	2,733.50	24,502.39

Industry analysis - Risk concentration as at 31 March 2019

Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
Financial Assets									
Cash and cash equivalents	4,670.11	-	-	-	-	-	-	-	4,670.11
Derivative financial instruments	706.85	-	-	-	-	-	-	-	706.85
Securities held for trading	1,142.86	-	-	-	-	-	-	-	1,142.86
Trade receivables	-	-	-	-	-	-	-	21.34	21.34
Other receivables	-	-	-	-	-	-	-	26.46	26.46
Loans	1,620.97	-	-	4,936.86	10,165.95	3,009.73	5,308.69	-	25,042.20
Investments	1,733.09	-	-	-	-	-	-	128.92	1,862.01
Other financial assets	668.12	-	-	-	-	-	-	-	668.12
Total Assets	10,542.00	-	-	4,936.86	10,165.95	3,009.73	5,308.69	176.72	34,139.95

Industry analysis - Risk concentration as at 31 March 2018

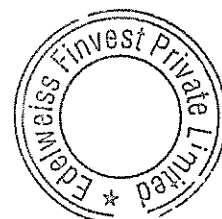
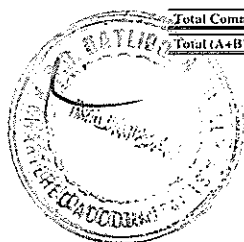
Particulars	Financial Services	State & Central Government	Agriculture	Industry	Real Estate	Service Sector	Retail Loans	Others	Total
Financial Assets									
Cash and cash equivalents	363.75	-	-	-	-	-	-	-	363.75
Derivative financial instruments	287.70	-	-	-	-	-	-	-	287.70
Securities held for trading	1,699.73	-	-	-	-	-	-	-	1,699.73
Trade receivables	-	-	-	-	-	-	-	12.85	12.85
Other receivables	-	-	-	-	-	-	-	10.60	10.60
Loans	747.07	-	-	6,025.60	14,859.39	5,352.39	1,837.66	-	28,822.11
Investments	4,509.44	-	-	-	-	-	-	108.06	4,617.50
Other financial assets	19.33	-	-	-	-	-	-	-	19.33
Total Assets	7,627.02	-	-	6,025.60	14,859.39	5,352.39	1,837.66	131.51	35,833.57

48.D.3 Collateral 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, 2020	As at March 31, 2019	As at March 31, 2018	
Financial assets				
Cash and cash equivalents	1,415.29	4,670.11	363.75	
Derivative financial instruments	1,563.67	706.85	287.70	
Securities held for trading	5,070.58	1,142.86	1,699.74	The Company invests in high rated Corporate Bonds and listed Equity Shares
Trade receivables	2.60	21.34	12.85	These are receivables mainly from Clearing houses. Group Carrying minimum risk.
Other receivables	2.78	26.46	10.60	
Loans				
(i) Corporate Credit	4,443.32	19,733.51	27,000.13	Equity Shares, Mutual Fund units, Land, Property, Project/Future Receivable etc.
(ii) Retail Credit	5,142.30	5,308.69	1,821.98	Equity shares and Mutual fund units, Bonds, etc.
Investments	6,327.45	1,862.01	4,617.50	
Other financial assets	534.40	668.12	19.33	
Total Financial Assets (A)	24,502.39	34,139.95	35,833.58	
Loan commitments	1,639.89	8,823.44	828.12	Equity Shares, Mutual Fund units, Land, Property, Project Receivable etc.
Total Commitments (B)	1,639.89	8,823.44	828.12	
Total (A+B)	26,142.28	42,963.39	36,661.70	



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (continued)

48.D.3 Collateral and other credit enhancements (continued)

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

Maximum exposure to credit risk as at March 31, 2020

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	756.10	186.53	569.57	855.91
Retail Credit	52.84	1.86	50.97	89.75
Total Financial Assets	808.94	188.39	620.54	945.66

* Secured by way of a pari passu charge over collateral

Maximum exposure to credit risk as at March 31, 2019

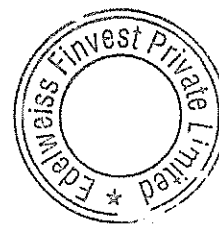
	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	106.83	51.73	55.10	883.20
Retail Credit	4.30	1.23	3.07	3.21
Total Financial Assets	111.13	52.96	58.17	886.41

* Secured by way of a pari passu charge over collateral

Maximum exposure to credit risk as at March 31, 2018

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
a) Loans:				
Corporate Credit *	506.20	493.29	12.91	1,158.70
Retail Credit	-	-	-	-
Total Financial Assets	506.20	493.29	12.91	1,158.70

* Secured by way of a pari passu charge over collateral



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (Continued)

48.E 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, Mutual Funds and Quoted Equity Shares. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-9% 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, Private issue of Debt, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Liquidity cushion			
Debt Securities	4,910.66	1,142.87	101.01
Mutual Fund Investments	-	-	1,498.73
Quoted Equity Instruments	159.92	-	100.00
Total Liquidity cushion	5,070.58	1,142.87	1,699.74

Financing Arrangement

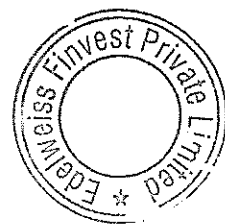
The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Committed Lines from Banks	-	45.00	45.00

As at March 31, 2020 - 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 5 years	More than 5 years	Total
Financial Assets							
Cash and cash equivalents	1,415.29	-	-	-	-	-	1,415.29
Derivative financial instruments	-	1,563.67	-	-	-	-	1,563.67
Securities held for trading	-	159.92	276.71	4,633.95	-	-	5,070.58
Receivables							
(i) Trade receivables	-	2.60	-	-	-	-	2.60
(ii) Other receivables	-	2.78	-	-	-	-	2.78
Loans	2,225.12	2,478.59	313.45	1,104.86	4,388.18	-	10,510.20
Investments	-	-	-	447.61	2,282.65	3,597.19	6,327.45
Other financial assets	-	534.40	-	-	-	-	534.40
Total undiscounted financial assets	3,640.41	4,741.96	590.16	6,186.42	6,670.83	3,597.19	25,426.97
Financial Liabilities							
(a) Derivative financial instruments	-	236.46	-	-	-	-	236.46
(b) Trade payables	-	226.45	-	-	-	-	226.45
(c) Debt securities	-	910.98	2,576.59	159.91	7,313.74	2,198.95	13,160.17
(d) Borrowings (other than debt securities)	132.75	30.68	30.08	58.19	135.24	-	386.94
(e) Subordinated Liabilities	-	-	16.55	-	66.05	166.50	249.10
(f) Other financial liabilities	-	0.45	-	-	-	-	0.45
Total undiscounted financial liabilities	132.75	1,405.02	2,623.22	218.10	7,515.03	2,365.45	14,259.57
Total net financial assets / (liabilities)	3,507.66	3,336.94	(2,033.06)	5,968.32	(844.20)	1,231.74	11,167.40

* The Company have cumulative positive mismatch across time buckets



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (Continued)

48.E Liquidity Risk (Continued)

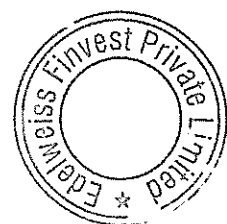
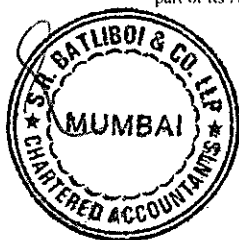
As at March 31, 2019 - Analysis of contractual maturities of financial assets and liabilities

	On Demand	Upto 3 Months	3 to 6 Months	6 Months to 1 year	1 year to 5 years	More than 5 years	Total
Financial Assets							
Cash and cash equivalents	120.11	4,500.00	-	50.00	-	-	4,670.11
Derivative financial instruments	-	706.85	-	-	-	-	706.85
Securities held for trading	-	1,142.86	-	-	-	-	1,142.86
Receivables							
(i) Trade receivables	-	21.34	-	-	-	-	21.34
(ii) Other receivables	-	26.46	-	-	-	-	26.46
Loans	-	2,363.81	1,537.40	4,482.87	23,730.63	1,137.45	33,252.16
Investments	-	-	-	-	-	1,862.01	1,862.01
Other financial assets	-	668.12	-	-	-	-	668.12
Total undiscounted financial assets	120.11	9,429.44	1,537.40	4,532.87	23,730.63	2,999.46	42,349.91
Financial Liabilities							
(a) Derivative financial instruments	-	422.49	-	-	-	-	422.49
(b) Trade payables	-	323.89	-	-	-	-	323.89
(c) Debt securities	-	4,613.34	1,384.83	4,566.83	9,605.55	2,171.33	22,341.88
(d) Borrowings (other than debt securities)	12.40	33.13	32.52	63.07	254.19	-	395.31
(f) Subordinated Liabilities	-	-	16.45	-	66.05	183.05	265.55
(g) Other financial liabilities	-	22.74	-	-	-	-	22.74
Total undiscounted financial liabilities	12.40	5,415.59	1,433.80	4,629.90	9,925.79	2,354.38	23,771.86
Total net financial assets / (liabilities)	107.71	4,013.85	103.60	(97.03)	13,804.84	645.08	18,578.05

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 5 years	More than 5 years	Total
Financial Assets							
Cash and cash equivalents	363.75	-	-	-	-	-	363.75
Derivative financial instruments	-	287.70	-	-	-	-	287.70
Securities held for trading	-	1,699.74	-	-	-	-	1,699.74
Receivables							
(i) Trade receivables	-	12.85	-	-	-	-	12.85
(ii) Other receivables	-	10.60	-	-	-	-	10.60
Loans	-	502.33	1,132.50	2,919.55	32,715.16	1,728.01	38,997.55
Investments	-	-	-	-	-	4,617.50	4,617.50
Other financial assets	-	19.33	-	-	-	-	19.33
Total undiscounted financial assets	363.75	2,532.55	1,132.50	2,919.55	32,715.16	6,345.51	46,009.02
Financial Liabilities							
(a) Derivative financial instruments	-	212.44	-	-	-	-	212.44
(b) Trade payables	-	345.54	-	-	-	-	345.54
(c) Debt securities	-	1,051.21	3,697.11	2,504.87	9,290.92	1,613.73	18,157.84
(d) Borrowings (other than debt securities)	7,774.17	37.31	31.08	843.40	382.92	-	9,068.88
(f) Subordinated Liabilities	-	-	16.55	-	66.00	199.55	282.10
(g) Other financial liabilities	-	16.54	-	-	-	-	16.54
Total undiscounted financial liabilities	7,774.17	1,663.04	3,744.74	3,348.27	9,739.84	1,813.28	28,083.34
Total net financial assets / (liabilities)*	(7,410.42)	869.51	(2,612.24)	(428.72)	22,975.32	4,532.23	17,925.68

* The Company had taken temporary loan from related parties aggregating to Rs. 7,761.96 million leading to a mismatch as at March 31, 2018. The Company as part of its ALCO activities has raised long term funds during the financial year 2018-19 and has a positive ALM position as at March 31, 2019



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (Continued)

48.E Liquidity Risk (Continued)

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments

As at March 31, 2020

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	-	-	-	-
Undrawn committed credit lines	-	-	1,639.89	-	-	1,639.89
Uncalled commitments on investments in AIF/ Venture Fund	-	-	3,345.13	-	-	3,345.13
	-	-	4,985.02	-	-	4,985.02

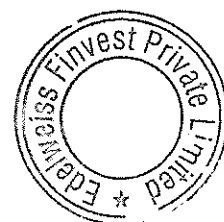
As at March 31, 2019

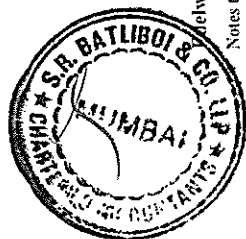
Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	0.06	-	-	0.06
Undrawn committed credit lines	-	-	8,823.44	-	-	8,823.44
Uncalled commitments on investments in AIF/ Venture Fund	233.87	-	-	-	-	233.87
	233.87	-	8,823.50	-	-	9,057.37

As at March 31, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	1.96	-	-	1.96
Undrawn committed credit lines	-	-	828.12	-	-	828.12
Uncalled commitments on investments in AIF/ Venture Fund	269.84	-	-	-	-	269.84
	269.84	-	830.08	-	-	1,099.92

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments





Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management (Continued)

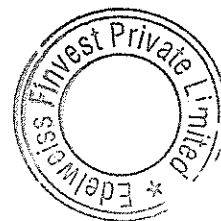
48.F Market Risk

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios

Total market risk exposure

Below table shows total market risk exposure of financial assets liabilities and financial liabilities with primary risk associated with class of respective financial assets.

Particulars	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk	Carrying Amount	Traded Risk	Non traded risk
Financial Assets									
Cash and cash equivalents	1,415.29	-	1,415.29	4,670.11	-	4,670.11	363.75	-	363.75
Derivative financial instruments	1,563.67	1,563.67	-	706.85	706.85	-	287.70	287.70	-
Securities held for trading	5,070.58	5,070.58	-	1,142.86	1,142.86	-	1,699.74	1,699.74	-
Trade receivables	2.60	-	2.60	21.34	-	21.34	12.85	-	12.85
Other receivables	2.78	-	2.78	26.46	-	26.46	10.60	-	10.60
Loans	9,237.76	-	9,237.76	24,560.55	-	24,560.55	27,977.43	-	27,977.43
Investments	6,327.45	-	6,327.45	1,862.01	-	1,862.01	4,617.50	-	4,617.50
Other financial assets	534.40	-	534.40	668.12	-	668.12	19.33	-	19.33
Total Assets	24,154.53	6,634.25	17,520.28	33,658.30	1,849.71	31,808.59	34,988.90	1,987.44	33,001.46
Financial Liabilities									
Derivative financial instruments	236.46	236.46	-	422.49	422.49	-	212.44	212.44	-
Trade payables	226.45	-	226.45	323.89	-	323.89	345.54	-	345.54
Debt securities	13,160.17	-	13,160.17	22,275.76	-	22,275.76	17,970.76	-	17,970.76
Borrowings (other than debt securities)	352.11	-	352.11	337.18	-	337.18	8,198.80	-	8,198.80
Subordinated Liabilities	161.09	-	161.09	161.17	-	161.17	161.26	-	161.26
Other financial liabilities	0.45	-	0.45	22.74	-	22.74	16.54	-	16.54
Total Liabilities	14,136.73	236.46	13,900.27	23,543.23	422.49	23,120.74	26,905.34	212.44	26,692.90



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

48. Risk Management

48.F Market Risk (continued)

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 31 March 2020 and at 31 March 2019

Interest rate sensitivity

As at March 31, 2020

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(0.56)	-	25	0.56	-
Corporate debt securities	25	(12.28)	-	25	12.28	-

As at March 31, 2019

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(0.81)	-	25	0.81	-
Corporate debt securities	25	(2.86)	-	25	2.86	-

As at March 31, 2018

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank borrowings	25	(1.06)	-	25	1.06	-
Corporate debt securities	25	(0.25)	-	25	0.25	-

Price Risk

The Company's exposure to securities price risk arises from investments held in Equity Shares classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices

As at March 31, 2020

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	5.18	-	5	(5.18)	-
Equity instruments	5	8.00	-	5	(8.00)	-

As at March 31, 2019

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	171.75	-	5	(171.75)	-

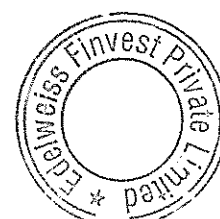
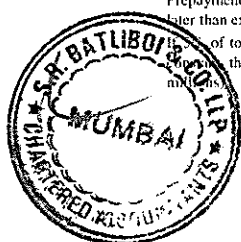
As at March 31, 2018

	Increase in price (%)	Sensitivity of Profit	Sensitivity of Equity	Decrease in price (%)	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(6.32)	-	5	6.32	-
Equity instruments	5	5.00	-	5	(5.00)	-
Mutual fund units	5	74.94	-	5	(74.94)	-

48.G Prepayment Risk

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

Of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by Rs. 14.68 million (31st March 2019 - Rs. 105.94 million & 31st March 2018 - Rs.83.61 million)



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 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.

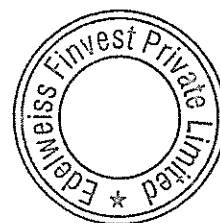
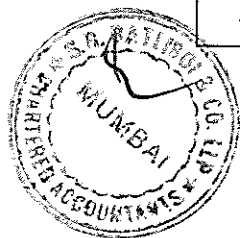
49.01 Investments

	As at March 31, 2020	As at March 31, 2019
1) Value of Investments *		
i) Gross Value of Investments		
a) In India	6,693.80	1,503.04
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	366.35	(358.97)
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	6,327.45	1,862.01
b) Outside India	-	-
2) Movement of provisions held towards depreciation / (Appreciation) on investments.		
i) Opening balance	(358.97)	(225.71)
ii) Add : Provisions made during the year	725.32	(133.26)
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	366.35	(358.97)

* It includes only investments (Refer Note 13C)

49.02 Capital to Risk Assets Ratio (CRAR)

	As at March 31, 2020	As at March 31, 2019
i) CRAR (%)	19.85%	28.44%
ii) CRAR - Tier I capital (%)	19.05%	26.64%
iii) CRAR - Tier II Capital (%)	0.80%	1.80%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-



49.03 Exposure to real estate sector, both direct and indirect

	As at March 31, 2020	As at March 31, 2019
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 ₹.15 lakhs 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 includes non-fund based (NFB) limits.	-	14,178.15
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures *		
- Residential	-	-
- Commercial Real Estate	2,677.59	-
B Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
C Others (not covered above)	-	-

* Represents Investment in Security Receipts having underlying exposure in Commercial Real Estate

49.04 Securitisation/ Direct Assignment:

Disclosures in the notes to the accounts in respect of financial assets sold to Securitisation /Reconstruction Company pursuant to Reserve Bank of India notification DNBR (PD) CC.No.029/03.10.001/2014-15 dated 10th April 2015

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

Particulars	2019-20	2018-19
i) No. of accounts	9	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	4,870.24	-
iii) Aggregate consideration	4,850.90	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	-
v) Aggregate gain / loss over net book value	(19.34)	-

b. Details of non-performing financials assets purchased / sold

During the year the Company has not purchased non-performing financials assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

	As at March 31, 2020	As at March 31, 2019
1 (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2 (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold:

	As at March 31, 2020	As at March 31, 2019
1 No. of accounts sold	2	-
2 Aggregate outstanding	108.80	-
3 Aggregate consideration received	108.80	-



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 Regulatory disclosures - RBI (Continued)

49.05 Exposure to Capital Market

	As at March 31, 2020	As at March 31, 2019
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	804.24	596.72
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	4,693.32	3,074.58
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	2,218.18	6,845.75
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)	119.02	91.65
ix) others (not covered above)	-	-
Total Exposure	7,834.76	10,608.70

49.06 Asset Liability Management -Maturity pattern of certain items of assets and liabilities

As at 31 March 2020 *

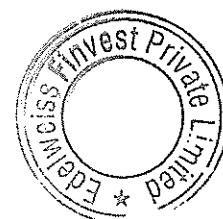
Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter- corporate loan	Loans (Gross)	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	-	132.75	2,225.12	-	-
Over One months to 2 months	-	166.67	-	-	-	159.92
Over 2 months up to 3 months	25.00	744.31	-	2,218.20	-	-
Over 3 months to 6 months	25.00	2,587.68	-	110.08	-	276.71
Over 6 months to 1 year	50.00	159.91	-	857.04	447.61	4,633.95
Over 1 year to 3 years	119.36	6,979.91	-	4,175.18	2,282.65	-
Over 3 years to 5 years	-	333.83	-	-	-	-
Over 5 years	-	2,348.95	-	-	3,597.18	-
Total	219.36	13,321.26	132.75	9,585.62	6,327.44	5,070.58

* The Company have cumulative positive mismatch across time buckets

As at 31 March 2019

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market borrowings	Inter- corporate loan	Loans (Gross)	Investments	Securities held for trading
1 day to 30/31 days (One month)	-	3,618.90	12.40	834.35	-	1,142.86
Over One months to 2 months	-	816.78	-	146.95	-	-
Over 2 months up to 3 months	25.00	139.20	-	879.80	-	-
Over 3 months to 6 months	25.00	1,395.31	-	801.90	-	-
Over 6 months to 1 year	50.00	4,560.96	-	2,864.12	-	-
Over 1 year to 3 years	200.00	6,636.87	-	15,131.07	-	-
Over 3 years to 5 years	24.78	2,951.62	-	3,486.62	-	-
Over 5 years	-	2,317.29	-	897.39	1,862.01	-
Total	324.78	22,436.93	12.40	25,042.20	1,862.01	1,142.86

Further, the Company had temporarily deployed its excess liquidity aggregating to Rs. 4,501.92 million as at March 31, 2019 in the short term fixed deposit with the bank. Accordingly, the Company is well poised to meet its contractual obligations over all the maturity due



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 Regulatory disclosures - RBI (Continued)

49.07 Movements of stage 3 assets:

The following table sets forth, for the periods indicated, the details of movement of stage 3 assets, stage 3 assets net of stage 3 provision and stage 3 provision.

	As at March 31, 2020	As at March 31, 2019
i) Stage 3 assets net of stage 3 provision to net advances (%)	6.60%	0.23%
ii) Movement of Stage 3 assets *		
a) Opening Balance	111.13	506.20
b) Additions during the year	5,676.85	106.84
c) Reductions during the year*	4,979.04	501.91
d) Closing balance	808.94	111.13
iii) Movement of Stage 3 assets net of stage 3 provisions		
a) Opening Balance	58.17	12.91
b) Additions during the year	5,500.02	63.44
c) Reductions during the year	4,937.64	20.18
d) Closing balance	620.55	58.17
iv) Movement of stage 3 provisions: (excluding provision on Stage 1/Stage 2)		
a) Opening Balance	52.96	493.29
b) Additions during the year	176.83	41.40
c) Reductions during the year	41.40	481.73
d) Closing balance	188.39	52.96

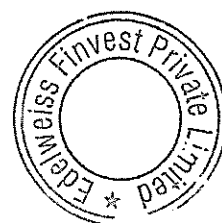
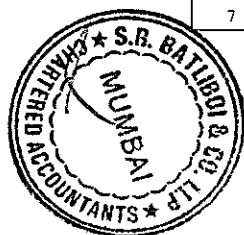
* Includes stage 3 assets written off during the year Rs Nil. (Previous year: Rs 483.55 million)

49.08 Details of 'Provisions and Contingencies'

Breakup of provisions and contingencies shown in the Statement of Profit and loss	2019-20	2018-19
i) Provisions for depreciation on Investment	-	-
ii) Provision towards Stage 3 assets (net)	135.43	(440.33)
iii) Provision made towards Income tax (net)	216.37	670.17
iv) Provision for Stage 1/Stage 2 assets	(269.22)	77.30
v) Other Provision and Contingencies		
a) Provision for gratuity	1.28	4.49
b) Provision for compensated absences	(1.37)	1.99

49.09 Concentration of Deposits, Advances, Exposures and NPAs

	As at March 31, 2020	As at March 31, 2019
A) Concentration of Advances		
Total Advances to twenty largest borrowers	8,637.92	15,718.14
% of Advances to twenty largest borrowers to Total Advances	90.11%	62.77%
B) Concentration of Exposures		
Total Exposures to twenty largest borrowers / Customers	8,637.92	15,718.14
% of Exposures to twenty largest borrowers / Customers to Total Advances	90.11%	62.77%
C) Concentration of NPAs		
Total Exposures to top Four NPAs	805.17	86.23
D) Sector-wise NPAs		
Sectors/Particulars	% of NPAs to Total Advances in that sector	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	17.02%	0.42%
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other loans	1.03%	-



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 Regulatory disclosures - RBI (Continued)

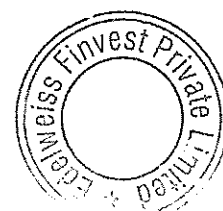
49.10 Note to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	10,138.76	19,286.04	-	-
(ii) Unsecured	3,182.50	3,150.89	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	219.36	324.78	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Other loans				
(i) Inter corporate loan	-	12.40	-	-
(ii) From Related parties	132.75	-	-	-

Assets side:

	Amount Outstanding	
	As at March 31, 2020	As at March 31, 2019
2) Break up of Loans and Advances including bills receivables		
(other than those included in (3) below)		
a) Secured	6,503.52	22,365.26
b) Unsecured	3,082.11	2,676.94
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	-	-
4) Break up of Investments		
Current Investments		
a) Quoted		
(i) Shares/ Equity	159.92	-
Preference	-	-
(ii) Debentures and Bonds	4,910.66	1,142.86
(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)	-	-



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 Regulatory disclosures - RBI (Continued)

49.10 Note 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	
	As at March 31, 2020	As at March 31, 2019
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	804.24	596.72
Preference	484.60	37.27
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
- Investments in security receipts of trusts	2,703.45	845.69
- Investments in units of funds	2,282.66	382.33
- Investments in warrants	52.50	-

5) Borrower group-wise classification of assets financed as in (2) and (3) above As at 31 March 2020

Particulars	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	2,225.06	2,225.06	-	1,422.14	1,422.14
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	6,196.82	815.88	7,012.70	21,885.18	1,253.23	23,138.41
TOTAL	6,196.82	3,040.94	9,237.76	21,885.18	2,675.37	24,560.55

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

Particulars	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1) Related parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	5,789.33	880.82	5,789.33	880.82
(c) Other related parties	-	-	-	-
2) Other than related parties	5,608.70	2,124.05	5,608.70	2,124.05
TOTAL	11,398.03	3,004.87	11,398.03	3,004.87

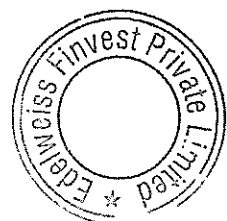
** As per Ind AS 24 - Related Party Disclosures

7) Other Information

Particulars	As at March 31, 2020	As at March 31, 2019
a) Gross Stage 3 assets		
1) Related parties	-	-
2) Other than related parties	808.94	111.13
b) Stage 3 Assets Net of Provision		
1) Related parties	-	-
2) Other than related parties	620.55	58.17
c) Assets acquired in satisfaction of debt	-	-

Notes:

- As defined in paragraph 21(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 of unquoted shares in absence of market value / breakup value or fair value or NAV



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 Regulatory disclosures - RBI (Continued)

49.11 Registration obtained from other financial sector regulators - Nil

49.12 The Company has not restructured any loans and advances during the year ended 31 March 2020 and 31 March 2019.

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

49.14 Overseas Assets - Nil (Previous year - Nil)

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

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

49.17 Draw Down from Reserves: Nil (Previous year - Nil)

49.18 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)

49.19 Details of ratings assigned by credit rating agencies

As at 31 March 2020

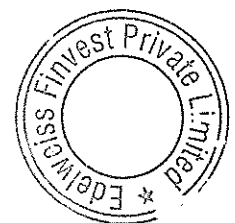
Instrument category	Brickworks	CARE	CRISIL	ICRA
i) Long Term Instruments				
Rating	AA / Negative	AA- / Stable	AA- / Stable	AA- / Negative
Amount	3,000.00	1,500.00	12,000.00	13,000
ii) Short term instruments				
Rating	-	-	A1+	A1+
Amount	-	-	40,000.00	2,000.00
iii) Market linked debentures				
a Short Term				
Rating	LD AA / Negative	PP- MLD AA-	PP- MLD AA-r / Stable	PP-MLD [ICRA] AA- / Negative
Amount	3,000.00	5,875.20	21,000.00	10,074
b Long Term				
Rating			PP - MLD A1+r	PP-MLD [ICRA]A1+r
Amount	-	-	5,000.00	1,500.00

As at 31 March 2019

Instrument category	Brickworks	CARE	CRISIL	ICRA
i) Long Term Instruments				
Rating	AA+	AA	AA/Stable	AA
Amount	3,000.00	1,500.00	12,000.00	13,000.00
ii) Short term instruments				
Rating	-	-	A1+	A1+
Amount	-	-	10,000.00	12,000.00
iii) Market linked debentures				
a Short Term				
Rating	-	-	PP- MLD	PP-MLD [ICRA]A1+
Amount	-	-	5,000.00	1,500.00
b Long Term				
Rating	PP-MLD AA+	PP MLD-AA	PP MLD AA r/Stable	PP-MLD [ICRA]AA
Amount	3,000.00	6,893.20	29,000.00	10,070.00

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

During the year ended 31 March 2020 and 31 March 2019, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 Regulatory disclosures - RBI (Continued)

49.21 Customer Complaints

	2019-20	2018-19
(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	-	-

49.22 Details of transaction with non executive directors

The Company has not undertaken any transaction with its non-executive directors during the year ended 31 March 2020 (Previous year: Nil), except as disclosed in Note 45

49.23 Funding Concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2020
Number of Significant Counter Parties *	13
Number of Significant Counter Parties - Outstanding Amount *	3,356.00
i) Significant Counter Parties as % of Total Deposits	NA **
ii) Significant Counter Parties as % of Total Liabilities***	23.39%

* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's borrowings (principal amount)

** The Company is non deposit taking NBFC, accordingly this ratio is not applicable to the Company

*** "Total liabilities" refers to total external liabilities (i.e. excluding total equity)

49.24 Concentration of Deposits

Total Deposits from twenty largest lenders	NA *
% of Deposits from twenty largest lenders to Total Deposits	NA *

* The Company is non deposit taking NBFC, accordingly this ratio is not applicable to the Company

49.25 Concentration of Borrowings

Total Borrowings from Top Ten lenders	2,946.60
% of Borrowings from Top Ten lenders to Total Borrowings	21.55%

49.26 Funding Concentration based on significant instrument/product *

No.	Name of the Instrument / Product	As at March 31, 2020 Amount	% of Total Liabilities **
a) Market Borrowings		13,321.26	92.83%
b) Term Loans		219.36	1.53%

* "Significant instrument/product" is defined as a single instrument/product of group of similar instrument/products which in aggregate amount to more than 1% of the NBFC-NDSI's total liabilities

** "Total liabilities" refers to total external liabilities (i.e. excluding total equity)

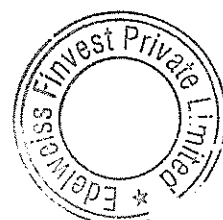
49.27 Stock Ratios

	As at March 31, 2020
a) Commercial Papers (Net Outstanding)	
i) Commercial Papers as % of total public funds *	0.00%
ii) Commercial Papers as % of Total Liabilities ***	0.00%
iii) Commercial Papers as % of Total Assets	0.00%
b) Non-convertible debentures (original maturity of less than one year)	
i) Non-convertible debentures as % of total public funds *	0.00%
ii) Non-convertible debentures as % of Total Liabilities ***	0.00%
iii) Non-convertible debentures as % of Total Assets	0.00%
c) Other Short term liabilities **	132.75
i) Other Short term liabilities as % of total public funds *	0.97%
ii) Other Short term liabilities as % of Total Liabilities ***	0.93%
iii) Other Short term liabilities % of Total Assets	0.54%

* "Total public funds" refers to the aggregate of Debt securities, Borrowing other than debt securities and Subordinated liabilities

** "Other short-term liabilities" refers to the borrowing in short term in nature

*** "Total liabilities" refers to total external liabilities (i.e. excluding total equity)



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

49 Regulatory disclosures - RBI (Continued)

49.28 Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee

The Asset Liability Management Committee, inter alia

- Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any
- Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;
- Develop risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and
- Ensure that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time

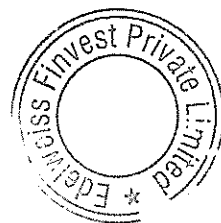
The Company ensures sufficient Liquidity Cushion is maintained in the form of Cash and cash equivalents and Investments in liquid securities. These assets carry minimal credit risk and can be liquidated in a very short period of time. This takes care of immediate obligations while continuing to honour our commitments as a going concern. The Company continues to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity

49.29 Prudential Floor for ECL

As required in terms of paragraph 2 of circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - Non-Banking Financial Company - Implementation of Indian Accounting Standards

As at March 31, 2020

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage-1	6,350.53	0.57	6,349.95	25.40	(24.83)
	Stage-2	2,426.15	158.90	2,267.25	9.70	149.20
Sub Total		8,776.68	159.47	8,617.20	35.11	124.36
Non Performing Assets (NPA)						
Substandard	Stage-3	801.12	186.67	614.45	80.11	106.56
Doubtful - up to 1 year	Stage-3	2.95	-	2.95	0.59	(0.59)
1 to 3 Years	Stage-3	4.86	1.72	3.14	1.46	0.26
More than 3 years	Stage-3	-	-	-	-	-
Sub total for Doubtful		7.81	1.72	6.09	2.05	(0.33)
Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		808.94	188.39	620.54	82.16	106.23
C. Other Items						
Other items such as guarantees, loan commitments, etc., which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage-1	6,350.53	0.57	6,349.95	25.40	(24.83)
	Stage-2	2,426.15	158.90	2,267.25	9.70	149.20
	Stage-3	808.94	188.39	620.54	82.16	106.23
Total		9,585.62	347.86	9,237.74	117.26	230.60



Edelweiss Finvest Private Limited

Notes to the financial statements for the year ended March 31, 2020

(Currency: Indian rupees in million)

50 Other Disclosures

50.01 Foreign Currency

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2020 (Previous year: Rs. Nil)

50.02 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020

51 Disclosures pursuant to RBI notification - RBI/2019-20/220 DOR.No. BP.BC.63/21.04.048/2019-20 dated 17 April 2020 SMA/overdue categories, where the moratorium/deferment was extended

The company has extended moratorium/ deferment of term loan installments falling due in moratorium period to its eligible customers who have opted for moratorium under RBI circular on 'COVID-19 - Regulatory Package' dated March 27, 2020 and 'COVID19 Regulatory Package - Asset Classification and Provisioning' dated April 17, 2020. The aggregating amount of customers in SMA/ Overdue categories as at March 31, 2020 is Rs. Nil

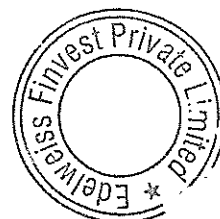
Asset classification has been extended for an aggregate amount of Rs. Nil and provision made during Q4 FY2020 as per paragraph 5 of the above mentioned RBI circular is Rs. Nil.

52 As of date of signing of financial statement, the Company has all KMP's as per the Companies Act, 2013 except Chief Financial Officer (CFO) and Company Secretary (CS). The CS resigned effective March 31, 2020 and CFO resigned effective May 4, 2020. The Company is in the process of filing up the vacancies.

53 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.

54 Pursuant to the income tax assessment orders received, provision for tax recorded in the books of accounts and related income tax returns filed for respective years, the Company has assessed a tax expense reversal of Rs 18.65 crs. Since these tax expense pertains to earlier years i.e AY 2017-18 & 2018-19, the Company has recognised the impact of these tax expense reversal in its retained earnings, so as to provide reliable and more relevant information about the Company's financial position and its performance. Accordingly, as per para: 42 of Ind-As 8, the company has changed the respective year financial statements to give effect to above adjustments, the impact of such adjustment on the financial position and financial performance is given below:

Financial Statement line item	As at March 31, 2019	As at April 01, 2018
	Increase /(Decrease)	Increase /(Decrease)
a. Other Equity	-	186.53
b. Current Tax Liabilities (Net)	-	(186.53)



A The Covid-19 pandemic

The Covid-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activity. The Company is primarily engaged in offering structured collateralised credit to corporates and real estate finance to developers and loan against securities to its retail credit customers. All of these segments were impacted over the past few years and consequent to COVID 19 pandemic are expected to be significantly impacted by reduced income and/or job losses of the borrowers, reduced economic activities and delay in completion and sale of real estate projects. The Indian Government too has imposed lockdowns starting from March 24, 2020. The Indian economy would be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on EFPL's results, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020 and April 17, 2020 the Company has granted a moratorium of 3 months and extended the same for a further period of 3 months in accordance with the announcement by the RBI on May 22, 2020 for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. In respect of accounts overdue but standard as at February 28, 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Company, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. Based on the assessment of the Company, in the absence of other credit risk indicators, the granting of the moratorium does not itself result in accounts becoming past due and triggering Stage 2 and Stage 3 classification criteria.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC. Company's lenders to seek/extend moratorium and various other financial support from other banks, agencies and its parent entity in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity during current period and for the period going forward.

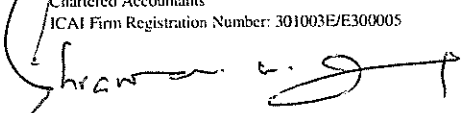
In assessing the recoverability of loans, receivables, intangible assets, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. EFPL has also considered the impact of COVID-19 pandemic while estimating the recoverability during the full year ended March 2020. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

B Sale of certain financial assets

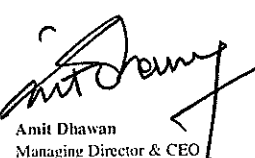
The Company had initiated sale of certain financial assets before March 31, 2020 and for which definitive contracts were executed post the balance sheet date. These financial assets sold subsequent to March 31, 2020, amounted to Rs. 770.00 million to alternative assets fund. As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID - 19 pandemic. Accordingly, management assessed that such loans that were sold by the Company subsequent to March 31, 2020 had an increased risk but were not credit impaired. As at March 31, 2020, there are no impact on the financial statements of the Company other than expected credit loss recorded amounting to Rs. 398.70 million.

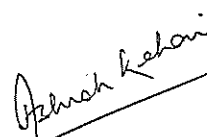
56 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

For and on behalf of the Board of Directors


Amit Dhawan
Managing Director & CEO
DIN: 02800746


Ashish Behar
Director
DIN: 07789972

Mumbai July 03, 2020

