

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Retail Finance Limited

Report on the Audit of the Indian Accounting Standard ("Ind AS") Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Edelweiss Retail Finance Limited ("the Company"), which comprises 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 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 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 Ind AS financial statements in accordance with the Standards on Auditing ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 6.1 to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers, investments which are highly dependent on uncertain future developments.

Our opinion is not modified in respect of this matter.

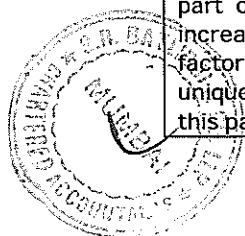
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the 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 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 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 Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
<p>Impairment of financial instruments (expected credit losses)</p> <p>(as described in note 48.1 of the standalone Ind AS financial statements)</p>	
<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loan & Advances and Investment receivables ("Financial Instruments") using the Expected Credit Losses ("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 loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ol style="list-style-type: none"> Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. Determining effect of less frequent past events on future probability of default. Grouping of borrowers based on homogeneity by using appropriate statistical techniques; Determining macro-economic factors impacting credit quality of receivables; <p>Impact of COVID-19</p> <p>The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship.</p> <p>Pursuant to the Reserve Bank of India circular dated March 27, 2020 and May 23, 2020 ("RBI Circulars") 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 as described in Note 6.1.</p> <p>In management's view and considering the guidance provided by the Institute of Chartered Accountants of India ('ICAI'), providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, its timing being close to the year-end,</p>	<ul style="list-style-type: none"> Our audit procedures included considering the Company's accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109: Financial Instruments. Read the Company's policy with respect to moratorium pursuant to the RBI Circular and tested the implementation of such policy on a sample basis. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on moratorium. Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. Tested the arithmetical accuracy of computation of ECL provision performed by the Company. Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.



<p>and no reliable data being available regarding the impact of various regulatory packages, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.</p>	
<p>Information Technology</p> <p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</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, assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information



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

Responsibilities of Management for the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

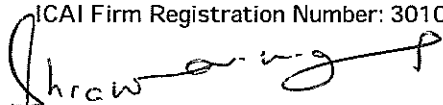
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 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 as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 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;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - 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

UDIN: 20102102AAAAHF9672

Place of Signature: Mumbai

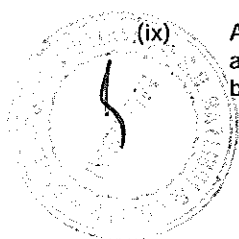
Date: July 3, 2020



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

Re: Edelweiss Retail Finance Limited ("the Company")

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, income-tax, and other statutory dues applicable to it, except in case of goods and services tax for the month of March 2020 where the Company has deposited the goods and services tax, without payment of late fee and interest, after the original due date but within the timelines prescribed and in accordance with by circular no 136/06/2020-GST dated April 3, 2020 issued by Central Board of Indirect Taxes and Customs. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and services tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income-tax, goods and service tax, service tax, value added tax and cess which have not been deposited on account of dispute. The provision relating to employee's state insurance, sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.
- (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 borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, money raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were



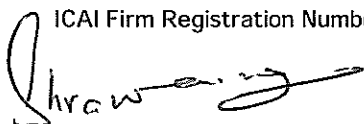
raised, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud 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 explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) 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 Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, 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, not commented upon.
- (xv) 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 Companies Act, 2013.
- (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: 20102102AAAAHF9672

Place: Mumbai

Date: July 3, 2020

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

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

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

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

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

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

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



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

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

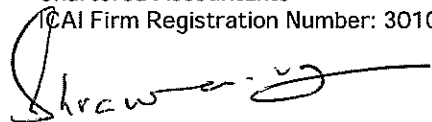
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements 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: 20102102AAAAHF9672

Place of Signature: Mumbai

Date: July 3, 2020



Edelweiss Retail Finance Limited
Balance Sheet
(Currency : Indian rupees in millions)

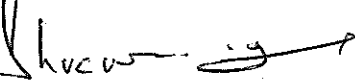
	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
(a) Cash and cash equivalents	8	2,681.42	3,238.12
(b) Bank balances other than cash and cash equivalents	9	302.12	2,169.93
(c) Stock in trade	10	142.02	-
(d) Trade receivables	11	12.47	24.77
(e) Loans	12	15,643.99	18,616.42
(f) Investments	13	471.23	-
(g) Other financial assets	14	158.77	90.11
		<u>19,412.02</u>	<u>24,139.35</u>
Non-financial assets			
(a) Current tax assets (net)	15	164.03	64.27
(b) Deferred tax assets (net)	16	108.45	79.87
(c) Property, plant and equipment	17	144.89	49.54
(d) Intangible assets under development		0.00	6.66
(e) Other intangible assets	18	7.96	4.96
(f) Other non-financial assets	19	53.86	126.72
		<u>479.19</u>	<u>332.02</u>
TOTAL ASSETS		<u>19,891.21</u>	<u>24,471.37</u>
LIABILITIES			
Financial liabilities			
(a) Trade payables	20	68.69	268.37
(b) Debt securities	21	4,939.06	4,909.92
(c) Borrowings (other than debt securities)	22	7,499.12	12,461.50
(d) Subordinated liabilities	23	2,089.06	2,060.80
(e) Other financial liabilities	24	629.11	2.46
		<u>15,225.04</u>	<u>19,703.05</u>
Non-financial liabilities			
(a) Current tax liabilities (net)	25	23.80	105.05
(b) Provisions	26	1.33	2.73
(c) Other non-financial liabilities	27	10.65	28.52
		<u>35.78</u>	<u>136.30</u>
Equity			
(a) Equity share capital	28	429.50	429.50
(b) Other equity	29	4,200.89	4,202.52
		<u>4,630.39</u>	<u>4,632.02</u>
TOTAL LIABILITIES AND EQUITY		<u>19,891.21</u>	<u>24,471.37</u>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

CAI Firm Registration Number : 301003E/ E300005
Chartered Accountants



per Shrawan Jalan
Partner
Membership No. 102102


Place : Mumbai
Date : July 3, 2020


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


Mehernosh Tata
Chief Executive Officer


Shailendra Dhupiya
Chief Financial Officer


Shilpa Gattani
Director
DIN: 05124763


Sunil Phatarphekar
Director
DIN: 00005164


Amit Pandey
Company Secretary
Membership No. A49075

Edelweiss Retail Finance Limited
Statement of Profit and Loss
(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	30	2,485.42	3,949.82
Fee and commission income	31	221.03	267.42
Net gain on fair value changes	32	168.12	265.87
Total revenue from operations		2,874.57	4,483.11
Other income	33	19.06	1.21
Total revenue		2,893.63	4,484.32
Expenses			
Finance costs	34	1,747.39	2,243.95
Impairment on financial instruments	35	731.71	869.17
Employee benefits expense	36	61.48	40.79
Depreciation, amortisation and impairment	17 & 18	74.01	30.78
Other expenses	37	245.62	790.67
Total expenses		2,860.21	3,975.36
Profit before tax		33.42	508.96
Tax expenses:			
Current tax	38	44.78	186.52
(1) Current tax		54.77	198.12
(2) Short / (Excess) provision for earlier years		(9.99)	(11.60)
Deferred tax	38.3	(22.02)	(16.12)
(1) MAT credit entitlement		-	56.40
(2) Deferred tax (net)		(22.02)	(72.52)
Profit for the year		10.66	338.56
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans	42	(0.20)	1.04
Less: Income tax relating to items that will not be reclassified to profit or loss	38.3	(0.05)	0.36
Other Comprehensive Income		(0.15)	0.68
Total Comprehensive Income		10.51	339.24
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic		0.25	7.88
(2) Diluted	40	0.25	7.88

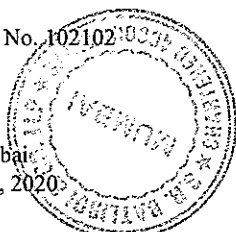
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

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

per Shrawan Jalan
Partner
Membership No. 102102

Place : Mumbai
Date : July 3, 2020



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

M.D. Tata
Mehernosh Tata
Chief Executive Officer

Shailendra Dhupiya
Chief Financial Officer

Shilpa Gattani
Director
DIN: 05124763

Sunil Phatarphekar
Director
DIN: 00005164

Amit Pandey
Company Secretary
Membership No. A49075

Edelweiss Retail Finance Limited
Statement of Changes in Equity
(Currency : Indian rupees in millions)

(a) Equity share capital

	Outstanding as on April 01, 2018	Issued during the year	Outstanding as on March 31, 2019	Issued during the year	Outstanding as on March 31, 2020
Issued, Subscribed and Paid up (Equity shares of Rs. 10 each, fully paid-up)	429.50	0.00	429.50	0.00	429.50
	429.50	0.00	429.50	0.00	429.50

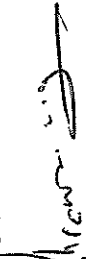
(b) Other Equity


	Capital Reserve	Securities Premium Account	Deemed capital contribution - Equity shares	Special Reserve under Section 45-1C of the Reserve Bank of India Act, 1934	Debenture redemption reserve	Impairment Reserve (refer note 55 (xxix))	Retained Earnings	Total
Balance at April 01, 2018	8.18	3,112.08	5.94	192.33	8.99	-	543.92	3,871.44
Profit for the year	-	-	-	-	-	-	338.55	338.55
Remeasurement loss on defined benefit plans	-	-	-	-	-	-	0.68	0.68
Total Comprehensive Income for the year	-	-	-	-	-	-	339.23	339.23
Transfers to / from retained earnings	-	-	-	67.71	328.15	-	(395.86)	-
Income tax charge on ESOP	-	-	-	-	-	-	(8.15)	(8.15)
Balance at March 31, 2019	8.18	3,112.08	5.94	260.04	337.14	-	479.14	4,202.52
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	-	-	(12.14)	(12.14)
Profit for the year	-	-	-	-	-	-	10.66	10.66
Remeasurement gain on defined benefit plans	-	-	-	-	-	-	(0.15)	(0.15)
Total Comprehensive Income for the year	-	-	-	-	-	-	10.51	10.51
Transfers to / from retained earnings	-	-	-	2.10	-	-	(2.10)	-
Balance at March 31, 2020	8.18	3,112.08	5.94	262.14	337.14	-	475.41	4,200.89


As per our report of even date attached.


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

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



per Shrawan Jalan
Partner
Membership No. 102102


M.D. Tata
Mehernosh Tata
Chief Executive Officer


Shilpa Gattani
Director
DIN: 05124763


Sunil Phatarpekar
Director
DIN: 00005164


Shailendra Dhupiya
Chief Financial Officer


Amit Pandey
Company Secretary
Membership No. A49075

Place : Mumbai
Date : July 3, 2020

Edelweiss Retail Finance Limited
Statement of Cash flows
(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Profit before tax	33.42	508.96
<i>Adjustments for</i>		
Depreciation, amortisation and impairment (refer note 17 & 18)	74.01	30.78
Impairment on financial instruments	731.71	869.17
Interest on lease liabilities	12.90	-
Expense on Employee stock option scheme	-	0.94
Loss / (Profit) on sale of Property, plant and equipment	4.48	(0.67)
Operating cash flow before working capital changes	856.52	1,409.17
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease/(Increase) in Trade receivables	12.30	(11.35)
Decrease/(Increase) in stock in trade	(142.02)	-
Decrease/(Increase) in Loans (net)	2,240.72	13,186.61
Decrease/(Increase) in Other financial assets	1,799.14	(2,169.45)
Decrease/(Increase) in Investments	(471.23)	-
Decrease/(Increase) in Other non financial assets	72.87	24.39
Increase / (Decrease) in Trade payables	(199.68)	(271.89)
Increase / (Decrease) in Non financial liabilities and provisions	(19.42)	(108.38)
Increase / (Decrease) in Other financial liability	505.12	(1,320.53)
Cash used in operations	4,654.33	10,738.57
Income taxes paid (net)	(225.83)	(173.99)
Net cash used in operating activities -A	4,428.50	10,564.58
B Cash flow from investing activities		
Purchase of Property, plant and equipment and Intangible Assets	(14.25)	(35.52)
Decrease/(Increase) in Intangibles under development	6.66	(0.60)
Sale of Property, plant and equipment	1.85	3.68
Net cash generated from / (used in) investing activities - B	(5.74)	(32.44)
C Cash flow from financing activities		
Increase / (Decrease) in Debt Securities ¹	0.00	(3,006.44)
Increase / (Decrease) in Borrowings other than Debt Securities ¹	(4,932.01)	(4,501.31)
Increase / (Decrease) in Subordinate Debt	-	-
Repayment of lease obligation	(47.45)	-
Net cash generated from financing activities - C	(4,979.46)	(7,507.75)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(556.70)	3,024.39
Cash and cash equivalent as at the beginning of the year (refer note 8)	3,238.12	213.73
Cash and cash equivalent as at the end of the year (refer note 8)	2,681.42	3,238.12
Operational cash flows from interest		
Interest paid	1,725.88	2,344.31
Interest received	2,190.52	3,931.49
CSR contribution to Edel Give Foundation	-	2.50

Notes:

1. Net figures have been reported on account of volume of transactions.
2. For disclosure relating to changes in liabilities arising from financing activities, refer note 39

As per our report of even date attached.

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

per Shrawan Jalan
Partner
Membership No. 102102

Place : Mumbai
Date : July 3, 2020

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

M. D. Tata
Mehernosh Tata
Chief Executive Officer

Shailendra Dhupiya
Chief Financial Officer

Shilpa Gattani
Director
DIN: 05124763

Sunil Phatarphekar
Director
DIN: 00005164

Amit Pandey
Company Secretary
Membership No. A49075

1. Corporate Information:

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

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

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.

2.1 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 43-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

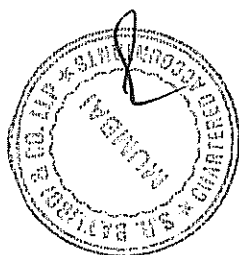
3. Significant accounting policies

3.1 Recognition of Interest income and Dividend income

3.1.1 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. 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 loan. 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.

3.1.2 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 / pre EMI is recognised on receipt basis.

3.1.3 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.

3.1.4 Dividend Income

Dividend income is recognised when the Corporation's right to receive dividend is established by the reporting date.

3.1.5 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.

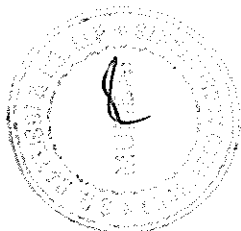
3.2 Financial Instruments:

3.2.1 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.

3.2.2 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.



3.2.3 Classification and 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:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the 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.

By default, all other financial assets are subsequently measured at FVTPL.

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.

3.3 Financial Assets and Liabilities:

3.3.1 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 evidence of a recent pattern of short-term profit is 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.



3.3.2 Debt securities and other borrowed funds:

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

3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 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.

3.4 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 year and previous year.

3.5 Derecognition of financial Instruments:

3.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual 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.

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.

3.5.2 Derecognition of financial liabilities

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

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other financial assets not measured at FVTPL 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:

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.

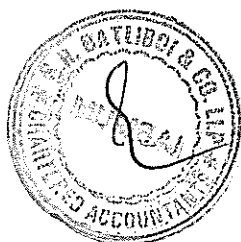
Stage 3 Assets:

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%.

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.



3.7 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 re-assessed on a periodic 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.

3.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

3.9 Write-Offs:

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

3.10 Forborne and modified loan:

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

3.11 Determination of Fair Value:

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

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

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



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

3.12 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.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the 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 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.

3.13 Earnings Per Share:

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

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



3.14 Retirement and other employee benefit:

3.14.1 Provident fund and national pension scheme:

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.

3.14.2 Gratuity:

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

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

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

3.14.3 Compensated Absences:

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

3.14.4 Deferred Bonus:

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

3.14.5 Equity-settled share-based payments and Stock Appreciation Rights (SARs):

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. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

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.



3.15 Property, plant and equipment:

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

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

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

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

Nature of assets	Estimated useful lives
Furniture and fixtures	10 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

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

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.

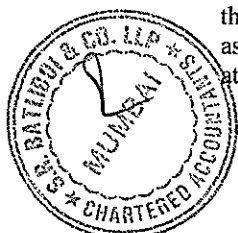
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.16 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

3.17 Impairment of non-financial assets:

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



3.18 Provisions and other contingent liabilities:

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

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

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

3.19 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

3.20 Income tax expenses:

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

3.20.1 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.

3.20.2 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.

3.20.3 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. Significant accounting judgements, estimates and assumptions :

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment :

The Company determines the business model at a level that reflects how the 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 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 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 instruments.

4.2 Significant increase in credit risk:

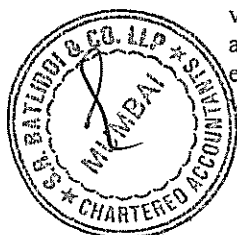
As explained in note 48.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. 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. Refer to note 48.1 for more details.

4.3 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.

4.4 Fair value of financial instruments:

The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.



4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, 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

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets except assets valued at fair value through Profit & Loss account (FVTPL) are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward looking estimates at the end of each period. These estimates are driven by number of factors, change in which can result in different level of allowance.

The Company's expected credit loss (ECL) calculations are output of complex model with number of underlying assumptions regarding choice of variable inputs and their interdependencies Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.
- 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 LTECL basis 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, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

4.7 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.



4.8 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.

4.9 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.

4.10 Leases:

Significant judgements are involved in evaluating if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the applicable discount rate which is an equivalent to incremental borrowing rate estimated on best effort basis.

5. Standards issued but not yet effective:

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

6. Subsequent Events

6.1. 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 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 ERFL'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.

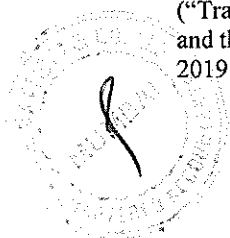
In assessing the recoverability of loans, receivables, intangible assets (including goodwill), deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. 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 results. The Company will continue to closely monitor material changes in markets and future economic conditions.

6.2. 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. 536.90 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.

On financial assets amounting to Rs. 536.90 million sold to alternative asset funds, EFSL, the holding Company, has, vide a put agreement dated July 01, 2020, undertaken to purchase in future some of these assets under certain contingencies. 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. 86.90 million.

7. A Scheme of Amalgamation for merger of the Company ("Transferor Company") with ECL Finance Limited ("Transferee Company") and their respective shareholders under section 23 to 232 of Companies Act, 2013 and the Rules made there under has been filled with National Company Law Tribunal ("NCLT") on March 26, 2019.



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

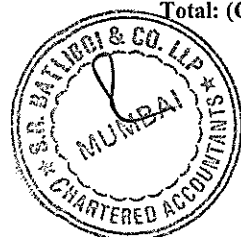
	As at March 31, 2020	As at March 31, 2019
8 Cash and cash equivalents		
Balances with banks		
- in current accounts	681.18	3,238.12
- in fixed deposits with original maturity less than three months	2,000.24	-
	<u>2,681.42</u>	<u>3,238.12</u>
9 Bank balances other than cash and cash equivalents		
Fixed deposits with original maturity more than 12 months	22.60	-
Fixed deposits with original maturity more than three months and less than 12 months	279.52	2,169.93
	<u>302.12</u>	<u>2,169.93</u>
9.1. Encumbrances on fixed deposits with bank held by the Company		
Given as credit enhancements towards securitisation	179.01	-
Given as margin against the bank guarantee issued in favour of BSE Limited towards public issuance of non convertible debentures.	22.57	20.03
10 Stock in trade		
10.25% ECL Finance Limited perpetual bonds (March-20: 210 bonds having face value of Rs. 10,00,000 March-19: Nil)	142.02	-
	<u>142.02</u>	<u>-</u>
11 Trade receivables		
Trade receivables (Unsecured)		
Receivables considered good - non-related party	1.45	2.04
Receivables considered good - related party - (Refer note 45)	11.16	22.73
Receivables which have significant increase in credit risk	-	0.38
	<u>12.61</u>	<u>25.15</u>
Less : Allowance for expected credit losses	(0.14)	(0.38)
	<u>12.47</u>	<u>24.77</u>
Reconciliation of impairment allowance on trade receivables:		
	For the year ended March 31, 2020	For the year ended March 31, 2019
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	(0.38)	-
Add/ (less): asset originated or acquired (net)	0.24	(0.38)
Impairment allowance - Closing Balance	<u>(0.14)</u>	<u>(0.38)</u>

Note: For disclosure relating to trade receivable ageing/ provision matrix, refer note 50



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

	As at March 31, 2020	As at March 31, 2019
12 Loans (At amortised Cost)		
A. Term Loans		
(i) Retail loans	9,053.80	19,078.69
(ii) Wholesale loans	7,083.00	-
Total (A) - Gross	16,136.80	19,078.69
Less: Allowance for expected credit loss (including on loan commitment)	(492.81)	(462.27)
Total (A) - Net	15,643.99	18,616.42
B. Term Loans		
(i) Secured by tangible assets (refer note 48.1.2)	10,742.13	12,945.93
(ii) Secured by intangible assets	-	-
(ii) Covered by Bank/ Government Guarantees	-	-
(ii) Unsecured	5,394.67	6,132.76
Total (B) - Gross	16,136.80	19,078.69
Less: Allowance for expected credit loss (including on loan commitment)	(492.81)	(462.27)
Total (B) - Net	15,643.99	18,616.42
C. Term Loans		
C.I Loans in India		
(i) Public Sectors	-	-
(ii) Others	16,136.80	19,078.69
Total (C.I) - Gross	16,136.80	19,078.69
Less: Allowance for expected credit loss (including on loan commitment)	(492.81)	(462.27)
Total (C.I) - Net	15,643.99	18,616.42
C.II Loans outside India	-	-
Less: Allowance for expected credit loss (including on loan commitment)	-	-
Total (C.II) - Net	-	-
Total: (C I and C II)	15,643.99	18,616.42



12.1. Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 48.1 and policies on ECL allowances are set out in Note 3.6. Refer note 48.1.3 for modified and forborne loans.

(a) Gross carrying amount of loan assets allocated to Stage I, Stage II and Stage III

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	12,442.48	-	-	12,442.48	17,472.97	-	-	17,472.97
Standard grade	-	3,312.94	-	3,312.94	-	1,007.32	-	1,007.32
Non-performing								
Impaired	-	-	381.38	381.38	-	-	598.40	598.40
Total	12,442.48	3,312.94	381.38	16,136.80	17,472.97	1,007.32	598.40	19,078.69

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan assets is, as follows:

For the year ended March 31, 2019

Particulars	Non-credit impaired Stage I		Stage II		Credit impaired Stage III		Total	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Opening Balance	32,388.42	271.33	395.29	115.25	380.07	104.48	33,163.78	491.06
Transfers:								
Transfers to 12 Month ECL (Stage 1)	19.32	8.14	(11.21)	(2.91)	(8.10)	(5.23)	-	-
Transfers to lifetime ECL (Stage 2)	(923.54)	(14.68)	960.51	20.89	(36.98)	(6.21)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1,191.79)	(38.85)	(206.67)	(74.60)	1,398.46	113.46	-	-
Remeasurement of ECL arising from transfer of stage (net)		(7.96)		170.88		(55.25)	-	107.67
Net new and further lending/ (repayments)	(12,796.39)	(60.91)	(112.54)	42.73	(277.70)	364.15	(13,186.63)	345.96
Amounts written off	(23.06)	(7.62)	(18.06)	(45.96)	(857.35)	(429.08)	(898.46)	(482.66)
Closing Balance	17,472.97	149.45	1,007.32	226.27	598.40	86.31	19,078.69	462.03

For the year ended March 31, 2020

Opening Balance	17,472.97	149.45	1,007.32	226.27	598.40	86.31	19,078.69	462.03
Transfers:								
Transfers to 12 Month ECL (Stage 1)	16.62	4.62	(15.34)	(3.68)	(1.28)	(0.94)	-	-
Transfers to lifetime ECL (Stage 2)	(865.72)	(12.18)	883.31	14.82	(17.59)	(2.64)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(496.12)	(2.40)	(235.86)	(32.40)	731.98	34.80	-	-
Remeasurement of ECL arising from transfer of stage (net)		(4.28)		185.35		24.68	-	205.75
Net new and further lending/ (repayments)	(3,391.97)	(23.37)	1,865.25	30.20	79.23	18.50	(1,447.49)	25.33
Amounts written off	(293.30)	(23.19)	(191.74)	(91.75)	(10.02)	(2.96)	(495.06)	(117.90)
Amounts sold	-	-	-	-	(999.34)	(82.55)	(999.34)	(82.55)
Closing Balance	12,442.48	88.65	3,312.94	328.81	381.38	75.20	16,136.80	492.66



12.2. Credit Quality of exposure (Loan Commitment)

(a) Gross carrying amount of loan commitment allocated to Stage I, Stage II and Stage III

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	155.16	-	-	155.16	246.14	-	-	246.14
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	-	-	-	-	-	-
Total	155.16	-	-	155.16	246.14	-	-	246.14

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to of loan commitment is, as follows:

For the Year Ended March 31, 2019

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I	Stage II	Stage III	Stage III	Stage III	Stage III	Stage III	Stage III
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Opening Balance	863.13	0.52	-	-	-	-	863.13	0.52
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(6.20)	(0.00)	6.20	0.00	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1.50)	(0.00)	-	-	1.50	0.00	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-	-
Net new sanctions and (disbursement)	(609.29)	(0.28)	(6.20)	-	(1.50)	-	(616.99)	(0.28)
Closing Balance	246.14	0.24	-	0.00	-	0.00	246.14	0.24

For the Year Ended March 31, 2020

Opening Balance	246.14	0.24	-	-	-	-	246.14	0.24
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-	-
Net new sanctions and (disbursement)	(90.98)	(0.11)	-	-	-	-	(90.98)	(0.11)
Closing Balance	155.16	0.13	-	-	-	-	155.16	0.13



13 Investments

As at March 31, 2020	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts	-	-	471.23	-	471.23	-	471.23
TOTAL - Gross (A)	-	-	471.23	-	471.23	-	471.23
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	471.23	-	471.23	-	471.23
Total (B)	-	-	471.23	-	471.23	-	471.23
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	471.23	-	471.23	-	471.23

As at March 31, 2019	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts	-	-	-	-	-	-	-
TOTAL - Gross (A)	-	-	-	-	-	-	-
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	-	-	-	-	-

Note:

During the year ended March 31, 2020 and March 31, 2019, the Company has sold financial assets aggregating to Rs. 695.40 million (net of provisions & losses) and Rs. Nil crores (net of provisions & losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and has acquired security receipts (SR) from ARC Trusts amounting to Rs. 501.84 million. 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), ultimate holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL), 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 the fair value amounting to Rs. 417.00 million sold to ARC Trusts. As a result, these financial assets are de-recognized in Company's financial statements. Further, as the risks and rewards continue in ERCSL and EFSL, these continue to be accounted as financial assets in the consolidated financial statements the Group and the respective consequent expected credit loss will be recorded in the consolidated financial statements of EFSL or ERCSL.



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

	As at March 31, 2020	As at March 31, 2019
14 Other financial assets (unsecured, considered good)		
Security Deposits	55.52	58.43
Advances to others	103.16	31.62
Deposits- others	0.09	0.06
	<u>158.77</u>	<u>90.11</u>
15 Current tax assets (net)		
Advance income taxes (net of provision for tax Rs. 323.73 million, previous year Rs. 272.22 million)	164.03	64.27
	<u>164.03</u>	<u>64.27</u>
16 Deferred tax assets (net)		
Deferred tax assets		
<u>Loans</u>		
Provision for expected credit loss	124.03	161.51
Unamortised processing fees - EIR on lending	7.05	34.34
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	7.39	5.39
<u>Employee benefit obligations</u>		
Provision for compensated absences	0.06	0.23
Disallowances under section 43B of the Income Tax Act, 1961	0.28	0.72
Lease liability	35.06	-
Others	0.04	-
	<u>173.91</u>	<u>202.19</u>
Deferred tax liabilities		
<u>Investments and other financial instruments</u>		
Unamortised loan origination costs - EIR on lending	11.70	62.90
Recognition of Interest Strip on assignment deals	3.68	14.17
Accrued Interest on Stage 3 receivables	0.24	7.92
<u>Borrowings</u>		
Effective interest rate on financial liabilities	20.67	37.33
Right-of-use Asset (ROU)	29.17	-
	<u>65.46</u>	<u>122.32</u>
	<u>108.45</u>	<u>79.87</u>

Note: For disclosure relating to movement in deferred tax assets / liabilities, refer note 38.3



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

17 Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	Charge for the year	As at March 31, 2020	As at March 31, 2020
Property, Plant and Equipment							
Land*	0.37	-	-	-	-	-	0.37
Leasehold improvements	28.48	-	-	7.08	5.32	10.62	10.78
Furniture and Fixtures	8.61	-	1.93	1.11	2.24	4.44	4.99
Vehicles	3.46	-	-	-	0.51	2.31	1.15
Office equipment	19.92	-	3.52	2.95	6.62	14.34	6.15
Computers	27.46	-	0.43	1.87	5.41	20.47	5.55
Right-of-use Asset (ROU)**	-	164.44	1.41	-	49.95	49.95	115.90
Total	88.30	164.44	7.29	13.01	70.05	102.13	144.89

18 Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	Charge for the year	As at March 31, 2020	As at March 31, 2020
Other Intangible Assets							
Software	8.82	-	6.96	-	3.96	7.82	7.96
Total	8.82	-	6.96	-	3.96	7.82	7.96

Notes:

*Charged against secured redeemable non-convertible debentures

**Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs.164.44 million and a lease liability of Rs.183.10 million with a corresponding deferred tax asset/liability of Rs.6.50 million. The cumulative effect of applying the standard thus resulted in Rs.12.14 million being debited to retained earnings as at April 1, 2019, net of taxes. In the profit or loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous year to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Thus, other expenses have reduced by Rs. 58.10 million whereas depreciation and amortisation expense has increased by Rs. 50.00 million and finance cost has increased by Rs. 12.90 million for the year ended March 31, 2020 consequent to adoption of Ind AS 116. This has had an impact on deferred tax charge (net) by Rs. 0.60 million for the year ended March 31, 2020. Also, total assets have increased by Rs.115.90 million and total liabilities have increased by Rs.139.32 million as at March 31, 2020.



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

Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 01, 2018	Charge for the year	As at March 31, 2019
Property, Plant and Equipment							
Land**	0.37	-	-	0.37	-	-	0.37
Leasehold improvements	18.82	9.66	-	28.48	1.60	6.35	20.53
Furniture and Fixtures	5.88	2.84	0.11	8.61	0.65	2.09	5.91
Vehicles	5.81	-	2.35	3.46	1.79	0.97	1.66
Office equipment	10.46	9.52	0.06	19.92	1.95	7.78	10.22
Computers	22.06	8.91	3.51	27.46	7.30	11.30	10.85
Total	63.40	30.93	6.03	88.30	13.29	28.49	49.54

18 Other Intangible Assets (Previous Year)

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 01, 2018	Charge for the year	As at March 31, 2019
Other Intangible Assets							
Software	4.23	4.59	-	8.82	1.57	2.29	4.96
Total	4.23	4.59	-	8.82	1.57	2.29	4.96

Note:

**Charged against secured redeemable non-convertible debentures



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

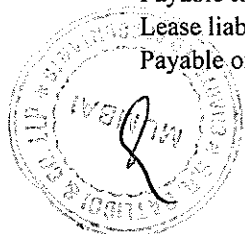
	As at March 31, 2020	As at March 31, 2019
19 Other non-financial assets		
Input tax credit (Goods and Services Tax/ Service Tax)	53.34	123.91
Prepaid expenses	0.14	1.14
Advances to vendors	0.33	1.13
Advances to employees	0.05	0.54
	<u>53.86</u>	<u>126.72</u>
20 Trade Payables		
Trade payables to non-related parties	66.33	244.50
Trade payables to related parties - (Refer note 45)	2.36	23.87
	<u>68.69</u>	<u>268.37</u>
Notes:		
(i) Total outstanding dues to creditors other than micro enterprises and small enterprises	68.69	268.37
(ii) Total outstanding dues of micro enterprises and small enterprises	-	-
21 Debt securities (In India) (At amortised cost)		
Non-convertible redeemable debentures (Secured)		
Privately placed non-convertible debentures	1,153.24	1,140.49
Publicly placed non-convertible debentures	3,785.82	3,769.43
	<u>4,939.06</u>	<u>4,909.92</u>

Note: For disclosure relating to repayment and other terms, refer note 52



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

	As at March 31, 2020	As at March 31, 2018
22 Borrowings other than debt securities (In India) (At amortised cost)		
Term Loan (secured)		
- From Banks	5,686.19	9,317.77
- From SIDBI	1,381.66	1,922.28
Note: For disclosure relating to repayment and other terms, refer note 51		
	7,067.85	11,240.05
Bank overdraft (Secured)	281.27	1,220.14
[Secured by charge on receivables from financing business] Bank overdraft is in nature of committed Cash Credit lines repayable on demand (Interest rate range, March-20: 8.8% - 11.00%, March-19: 8.55% - 11.00%)		
Loan from related parties (Unsecured)	0.00	1.31
(Repayable on demand, Interest rate payable @ 9.50% for March-20, 9.50% for March-19)		
Working capital demand loan	150.00	-
[Secured by charge on receivables from financing business] Bank overdraft is in nature of committed Cash Credit lines repayable on demand (Interest rate range, March-20: 8.80% - 9.65%, March-19: NA)		
	431.27	1,221.45
	7,499.12	12,461.50
23 Subordinated liabilities (In India) (At amortised cost)		
Non-convertible subordinated debentures	1,630.18	1,602.17
Non-convertible perpetual debentures	458.88	458.63
Note: For disclosure relating to repayment and other terms, refer note 53 & 54		
	2,089.06	2,060.80
24 Other financial liabilities		
Debenture application money received pending allotment	0.11	0.21
Payable to employees	1.78	2.25
Lease liabilities (Ind AS 116)	139.32	-
Payable on account of securitisation/ assignments	487.90	-
	629.11	2.46



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

	As at March 31, 2020	As at March 31, 2019
25 Current tax liabilities (net)		
Provision for taxation (net of advance tax Rs. 171.94 million, previous year Rs. 97.46 million)	23.80	105.05
	<u>23.80</u>	<u>105.05</u>
26 Provisions		
Provision for employee benefits (refer note 42)		
Gratuity	1.10	2.07
Compensated leave absences	0.23	0.66
	<u>1.33</u>	<u>2.73</u>
27 Other non-financial liabilities		
Revenue received in advance	0.01	0.01
Payable to others	6.65	3.30
Payable to related party (refer note 45)	2.63	0.94
Statutory dues payable	1.36	24.27
	<u>10.65</u>	<u>28.52</u>



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

As at March 31, 2020

As at March 31, 2019

28 Equity share capital

Authorised :

5,00,00,000 (Previous year: 5,00,00,000) equity shares of Rs.10 each

500.00

500.00

500.00

500.00

Issued, Subscribed and Paid up:

4,29,50,000 (Previous year: 4,29,50,000) Equity shares of Rs. 10, fully paid-up

429.50

429.50

429.50

429.50

(a) Movement in share capital :

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	4,29,50,000	429.50	4,29,50,000	429.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>4,29,50,000</u>	<u>429.50</u>	<u>4,29,50,000</u>	<u>429.50</u>

(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 holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(c) Shares held by holding/ultimate holding company and/or their subsidiaries

	As at March 31, 2020		As at March 31, 2019	
	No of shares	%	No of shares	%
Edelcap Securities Limited (Holding company)	3,02,58,333	70.45%	3,02,58,333	70.45%
Edelweiss Financial Services Limited (Ultimate holding company)	96,91,667	22.57%	96,91,667	22.57%
Edelweiss Finvest Private Limited (Fellow subsidiary)	30,00,000	6.98%	30,00,000	6.98%
	<u>4,29,50,000</u>	<u>100.00%</u>	<u>4,29,50,000</u>	<u>100.00%</u>

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



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

	As at March 31, 2020	As at March 31, 2019
29 Other Equity		
Capital reserve	8.18	8.18
Securities premium	3,112.08	3,112.08
Statutory reserve	262.14	260.04
Debenture redemption reserve	337.14	337.14
Deemed capital contribution - Equity	5.94	5.94
Retained earnings	475.41	479.14
	4,200.89	4,202.52

Note: For movement in Other Equity, refer 'Statement of changes in Equity'.

29.1 Nature and purpose of Reserves

(a) Capital reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution.

(b) Securities Premium

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

(c) Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934

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

(d) Debenture Redemption Reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being NBFC has to maintain Debenture Redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the amendment in the Companies Act 2013, debenture redemption reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

(e) Deemed capital contribution - Equity

This reserve relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

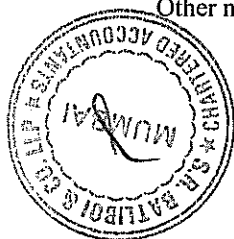
(f) Retained Earnings

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



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

	For the year ended March 31, 2020	For the year ended March 31, 2019
30 Interest Income (at amortised cost)		
Interest on Loans	2,293.05	3,866.44
Interest on deposits with bank	182.27	62.65
Other interest income	10.10	0.04
Other interest income on direct assignment	-	20.69
	<u>2,485.42</u>	<u>3,949.82</u>
31 Fee and commission income		
Fee and commission income	221.03	267.42
	<u>221.03</u>	<u>267.42</u>
32 Net gain on fair value changes (Realised)		
On trading portfolio		
Profit / (loss) on trading of securities (FVTPL)	34.24	92.10
Profit on sale of mutual fund units (FVTPL)	133.70	147.63
Profit & Loss FnO - NSE	0.18	-
On Others		
Gain on buy back of debt securities (at amortised cost)	-	26.14
	<u>168.12</u>	<u>265.87</u>
33 Other income		
Other non operating income	19.06	1.21
	<u>19.06</u>	<u>1.21</u>



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

	For the year ended March 31, 2020	For the year ended March 31, 2019
34 Finance costs (at amortised cost)		
Interest on borrowings	1,078.24	1,317.25
Interest on debt securities	450.03	719.19
Interest on subordinated liabilities	199.56	194.88
Other interest expense (including bank charges)	6.66	12.63
Interest on lease liabilities	12.90	-
	<u>1,747.39</u>	<u>2,243.95</u>

35 Impairment on financial instruments

Loss on sale of loan assets sold to assets reconstruction company	316.56	-
Bad- debts and advances written off	384.61	898.47
Provision for expected credit loss (at amortised cost) (including on loan commitments)	30.54	(29.30)
	<u>731.71</u>	<u>869.17</u>

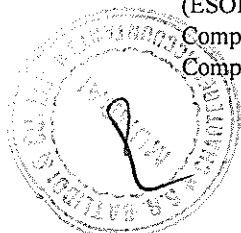
Note:

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. 731.71 million towards expected credit losses, write-offs, loss on sale to ARC Trusts and Funds and net loss on fair value changes.

	For the year ended March 31, 2020	For the year ended March 31, 2019
36 Employee benefit expenses		
Salaries and wages	53.82	29.52
Contribution to provident and other funds	2.95	3.07
Gratuity Expense (refer note 42)	0.45	0.66
Share based payments to employees (Refer note below)	2.40	0.94
Staff welfare expenses	1.86	6.61
	<u>61.48</u>	<u>40.79</u>

Note:

Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an Employee stock option plan (ESOP)/ Stock Appreciation Rights (ESAR) 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 /rights , Company has accepted such cross charge and recognised the same under the employee cost.



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

	For the year ended March 31, 2020	For the year ended March 31, 2019
37 Other expenses		
Advertisement and business promotion	0.57	8.24
Commission and brokerage	0.70	5.42
Communication	7.13	11.15
Directors' sitting fees	0.54	0.56
Legal and professional fees	46.39	175.25
Printing and stationery	2.47	7.64
Rent, Rates and taxes (net of recovery)	(81.26)	19.07
Repairs and maintenance	4.60	0.41
Computer expenses	15.35	21.97
Corporate social responsibility (refer note 37.2)	10.07	2.50
Rating support fees	0.14	0.16
Office expenses	43.21	83.83
Postage and courier	0.79	2.44
Goods & Service tax expenses	40.79	52.66
Stamp duty	0.97	1.11
Auditors' remuneration (refer note 37.1)	2.03	1.63
Travelling and conveyance	2.54	5.40
Miscellaneous expenses	19.21	2.44
Loan origination costs amortised	129.38	388.80
	<u>245.62</u>	<u>790.67</u>
37.1. Auditors' remuneration		
As an Auditor		
Statutory Audit	0.80	0.60
Limited Review	0.90	0.90
Certification	0.22	-
Towards reimbursement of expenses	0.11	0.13
	<u>2.03</u>	<u>1.63</u>
37.2. Details of CSR Expenditure:		
As per the provisions of Section 135 of Companies Act 2013		
Gross Amount required to be spent by the Company	10.07	10.07
Amount spent (paid in cash)		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	-	2.50
Amount spent (Yet to be paid in cash)		
Construction/ Acquisition of any assets	-	-
on purpose other than (i) above	10.07	-
	<u>10.07</u>	<u>2.50</u>



Edelweiss Retail Finance Limited
Notes to financial statements
(Currency: Indian rupees in million)

38 Income tax

38.1. The components of income tax expense:

	For the period ended March 31, 2020	For the period ended March 31, 2019
Current tax	54.77	198.12
Adjustment in respect of current income tax of prior years	(9.99)	(11.60)
Deferred tax relating to origination and reversal of temporary differences	(22.02)	(72.52)
MAT credit entitlement	-	56.40
Total tax charge	22.76	170.40
Current tax	44.78	186.52
Deferred tax	(22.02)	(16.12)

38.2. Reconciliation of total tax charge

	For the period ended March 31, 2020	For the period ended March 31, 2019
Accounting profit before tax as per financial statements	33.42	508.96
Tax rate (in percentage)	25.17%	34.94%
Income tax expense calculated based on this tax rate	8.41	177.85
Adjustment in respect of current income tax of prior years	(9.99)	(11.60)
Effect of income not subject to tax:		
Deduction u/s 35D of Income tax Act, 1961	(0.17)	-
Others	-	-
Effect of non-deductible expenses:		
Others	0.35	4.15
Effect on deferred tax due to change in Income tax rate	24.17	-
Tax charge for the year recorded in P&L	22.76	170.40
Effective tax rate	68.09%	33.48%



Edelweiss Retail Finance Limited
Notes to financial statements
(Currency : Indian rupees in millions)

38 Income tax

38.3. Movement of Deferred Tax assets / liabilities

For the year ended March 31, 2020	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	161.54	(37.48)	-	-	(37.48)	124.06
Retirement Benefits	0.96	(0.67)	0.05	-	(0.62)	0.34
Difference between book and tax WDV (including intangibles)	5.38	2.00	-	-	2.00	7.38
Lease liability	-	(28.92)	-	63.98	35.06	35.06
Others	(0.00)	0.04	-	-	0.04	0.03
Deferred Tax Liabilities						
Effective interest rate on financial assets	(28.59)	23.91	-	-	23.91	(4.68)
Stage 3 Income recognition	(7.93)	7.69	-	-	7.69	(0.24)
Interest spread on assignment transactions	(14.16)	10.49	-	-	10.49	(3.67)
Effective interest rate on financial Liabilities	(37.33)	16.66	-	-	16.66	(20.67)
Right-of-use Asset (ROU)	-	28.29	-	(57.46)	(29.17)	(29.17)
Total	79.87	22.01	0.05	6.52	28.58	108.45

For the year ended March 31, 2019

Deferred taxes in relation to:

Deferred Tax Assets

Provision for expected credit loss	171.78	(10.24)	-	-	(10.24)	161.54
Retirement Benefits	12.49	(11.17)	(0.36)	-	(11.53)	0.96
Difference between book and tax WDV (including intangibles)	1.07	4.31	-	-	4.31	5.38
Others	8.15	-	-	(8.15)	(8.15)	(0.00)

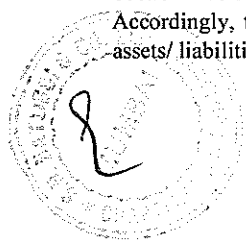
Deferred Tax Liabilities

Effective interest rate on financial assets	(98.31)	69.72	-	-	69.72	(28.59)
Stage 3 Income recognition	(10.80)	2.87	-	-	2.87	(7.93)
Interest spread on assignment transactions	(16.78)	2.62	-	-	2.62	(14.16)
Effective interest rate on financial Liabilities	(51.73)	14.40	-	-	14.40	(37.33)
MAT Credit Entitlement	56.40	(56.40)	-	-	(56.40)	-

Total	72.27	16.11	(0.36)	(8.15)	7.60	79.87
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Note:

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 and re-measured its deferred tax assets/ liabilities basis the rate prescribed in the aforesaid section resulting in tax additional charge by Rs. 24.17 million.



39 Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at March 31, 2019	Cash Flows	Changes in Fair value	Others*	As at March 31, 2020
Debt Securities	4,909.92	0.01	-	29.13	4,939.06
Borrowings other than Debt Securities	12,461.50	(4,932.01)	-	(30.37)	7,499.12
Subordinated Liabilities	2,060.80	-	-	28.26	2,089.06
	19,432.22	(4,932.01)	-	27.02	14,527.24

Particulars	As at April 01, 2018	Cash Flows	Changes in Fair value	Others*	As at March 31, 2019
Debt Securities	8,040.57	(3,006.44)	-	(124.21)	4,909.92
Borrowings other than Debt Securities	16,934.13	(4,501.31)	-	28.68	12,461.50
Subordinated Liabilities	2,037.06	-	-	23.74	2,060.80
	27,011.76	(7,507.75)	-	(71.79)	19,432.22

*Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.



Edelweiss Retail Finance Limited
Notes to financial statements
(Currency : Indian rupees in millions)

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 period.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit attributable to Equity holders of the Company - A	10.66	338.55
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	42.95	42.95
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	42.95	42.95
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	42.95	42.95
Nominal value of equity shares	10.00	10.00
Basic and diluted earnings per share (in rupees) (A/B)	0.25	7.88

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

41. Contingent Liability & Commitment:

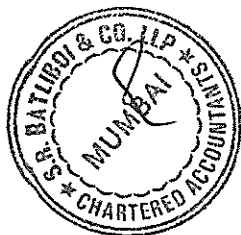
(a) Contingent Liability

	As at March 31, 2020	As at March 31, 2019
Taxation matters	Nil	Nil
Litigation pending against the company	Nil	Nil

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

(b) Commitment:

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account	0.90	4.35
Loan sanctioned pending disbursements	155.16	246.14



42. Retirement and other 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.2.54 millions (March 31, 2019 : Rs 2.72 millions) 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 defined benefit plan 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 gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) 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.

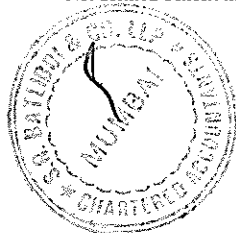
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations (A)	1.09	2.06
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	1.09	2.06
Net deficit / (assets) are analysed as:		
Liabilities	1.09	2.06
Assets	-	-

Movement in net defined benefit (asset) liability:

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

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
(i) Present value of defined benefit obligations (opening)	2.06	5.56	-	-	2.06	5.56
Current service cost	0.33	0.39	-	-	0.33	0.39
Past service cost	-	-	-	-	-	-
Interest cost	0.12	0.27	-	-	0.12	0.27
	2.51	6.22	-	-	2.51	6.22
(ii) Other comprehensive Income						
Remeasurement Actuarial loss (gain) arising from :						
Experience	0.08	(1.06)	-	-	0.08	(1.06)
Financial assumptions	0.07	0.02	-	-	0.07	0.02
Expected return from plan assets	0.05	-	-	-	0.05	-
	0.20	(1.04)	-	-	0.20	(1.04)
(iii) Others						
Transfer In/ (Out)	(0.30)	(1.71)	-	-	(0.30)	(1.71)
Contributions by Employer	-	-	-	-	-	-
Benefits paid	(1.31)	(1.41)	-	-	(1.31)	(1.41)
	(1.62)	(3.12)	-	-	(1.62)	(3.12)
(iv) Closing Balance (i) + (ii) + (iii)	1.09	2.06	-	-	1.09	2.06
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	-	-	-	-	1.09	2.06



42. Retirement and other employee benefits

Components of defined benefit plan cost:

	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Recognised in Statement of profit or loss		
Current service cost	0.33	0.39
Interest cost	0.12	0.27
Expected return on plan assets	-	-
Past service cost	-	-
	<u>0.45</u>	<u>0.66</u>
(ii) Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	0.20	(1.04)
Return on plan assets excluding net interest	-	-
	<u>0.20</u>	<u>(1.04)</u>
Total (i) + (ii)	0.65	(0.37)

Actuarial assumptions:

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

	As at March 31, 2020	As at March 31, 2019
Discount Rate	5.50%	6.70%
Salary Growth Rate	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	13% to 50%	13% to 60%
Expected return on plan Assets (p.a)	6.70%	7.00%
Mortality Rate	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)
Expected weighted average remainin working lives of employees	3 Years	4 Years

Sensitivity analysis:

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.06	(0.06)	0.11	(0.11)
Discount Rate (+/- 1%)	(0.06)	0.06	(0.10)	0.12
Withdrawl Rate (+/- 1%)	(0.01)	0.01	(0.00)	0.00
Mortality (increase in expected lifetime by 1 year)	Negligible change		Negligible change	
Mortality (increase in expected lifetime by 3 year)	Negligible change		Negligible change	

The sensitivity is performed on the BDO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Asset liability comparisons:

	As at March 31, 2020	As at March 31, 2019
Present value of DBO	1.09	2.06
Fair Value of Plan assets	-	-
Net (Assets)/Liability	1.09	2.06

(c) 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 leave encashment on separation is paid on basic salary.



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

43. 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. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for contractual maturity analysis.

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	2,681.42	-	2,681.42	3,238.12	-	3,238.12
Bank balances other than cash and cash equivalents	302.12	-	302.12	2,169.93	-	2,169.93
Stock in trade	142.02	-	142.02	-	-	-
Trade receivables	12.47	-	12.47	24.77	-	24.77
Loans	8,134.69	7,509.30	15,643.99	8,001.24	10,615.18	18,616.42
Investments	-	471.23	471.23	-	-	-
Other financial assets	103.25	55.52	158.77	31.68	58.43	90.11
Non-financial assets						
Current tax assets (net)	-	164.03	164.03	-	64.27	64.27
Deferred tax assets (net)	-	108.45	108.45	-	79.87	79.87
Property, Plant and Equipment	-	144.89	144.89	-	49.54	49.54
Intangible assets under development	-	0.00	0.00	-	6.66	6.66
Other Intangible assets	-	7.96	7.96	-	4.96	4.96
Other non-financial assets	0.52	53.34	53.86	125.59	1.14	126.72
Total Assets	11,376.49	8,514.72	19,891.21	13,591.33	10,880.04	24,471.37
Financial Liabilities						
Trade payables	68.69	-	68.69	268.37	-	268.37
Debt securities	2,116.76	2,822.30	4,939.06	57.97	4,851.95	4,909.92
Borrowings (other than debt securities)	3,864.97	3,634.15	7,499.12	5,288.04	7,173.46	12,461.50
Subordinated Liabilities	74.12	2,014.94	2,089.06	73.64	1,987.16	2,060.80
Other financial liabilities	512.11	117.00	629.11	2.46	-	2.46
Non-financial liabilities						
Current tax liabilities (net)	23.80	-	23.80	105.05	-	105.05
Provisions	1.33	-	1.33	2.73	-	2.73
Other non-financial liabilities	10.65	-	10.65	28.52	-	28.52
Total Liabilities	6,672.43	8,588.39	15,260.82	5,826.77	14,012.57	19,839.35
Net	4,704.06	(73.67)	4,630.39	7,764.56	(3,132.53)	4,632.02



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

44. Segment reporting

The Company's is registered with Reserve Bank of India as a Non Banking Financial Company engaged in the business of lending and financing . All other activities of the company revolve around the main business. Accordingly, there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the Company operates only in India.

45. Related Party Disclosures

(i) List of related parties and relationship:

Name of related parties by whom control is exercised	Edelcap Securities Limited - Holding Company Edelweiss Financial Services Limited – Ultimate holding Company
Fellow Subsidiaries (with whom transactions have taken place)	ECL Finance Limited Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) Edelweiss Housing Finance Limited Edelweiss Finvest Private Limited Edelweiss Finance & Investments Limited Edelweiss Broking Limited Edelweiss Global Wealth Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Asset Management Limited Ecap Equities Limited EdelGive Foundation Edelweiss Securities Limited Edelweiss Custodial Services Limited Edelweiss General Insurance Company Limited Edelweiss Insurance Brokers Limited Edelweiss Investment Advisors Limited EFSL Trading Limited (Merged with Edelweiss Rural & Corporate Services Limited)
Key Management Personnel	Mr. Vineet Mahajan (Dec 14, 2018 to Mar 15, 2020) Chief Executive Officer Mr. Arun Kumar Nayyar (upto 30 Jul 2018) Chief Executive Officer Mr. Krishnaswamy Siddharth Non Executive Director Ms. Shilpa Gattani (w.e.f February 6, 2020) Non Executive Director Mr. Shrikant Subbarayan (upto Aug 12, 2020) Non Executive Director Ms. Shalinee Mimani (upto Sep 15, 2019) Non Executive Director Mr. Sanjay Shah (upto Jan 13, 2020) Independent Director Mr. Mitul Shah Independent Director Mr. Vineet Mahajan (upto Dec 13, 2018) Chief Financial Officer Ms. Kirti Sawant (Mar 5, 2019 to Jan 28, 2020) Chief Financial Officer Ms. Sudipta Majumdar (upto Aug 22, 2019) Company Secretary Mr. Amit Pandey (w.e.f Aug 24, 2019) Company Secretary

(ii) Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Account Transactions during the year:			
Loans taken from	Edelweiss Rural & Corporate Services Limited	531.30	7,604.18
Loans repaid to	Edelweiss Rural & Corporate Services Limited	695.60	7,495.80
Short term loans given to	Edelweiss Housing Finance Limited	2,000.00	-
	ECL Finance Limited	1,190.00	-
	Edelweiss Rural & Corporate Services Limited	2,150.00	-
Short term loans repaid by	Edelweiss Housing Finance Limited	1,190.00	-
	ECL Finance Limited	1,350.00	-
Securities Purchase	Edelweiss Rural & Corporate Services Limited	141.55	2,100.04
	Edelweiss Finance & Investments Limited	-	315.46
	Edelweiss Finvest Private Limited	-	244.34
Bonds sold to	ECL Finance Limited	2,323.50	-
Loan sale to ARC	Edelweiss Asset Reconstruction Company Limited	590.40	-
Non convertible debentures (Loans) purchased from	ECL Finance Limited	3,999.43	-
Margin placed	Edelweiss Custodial Services Limited	1,840.93	-
	Edelweiss Securities Limited	3.12	-
Margin withdrawn	Edelweiss Custodial Services Limited	1,841.17	-
	Edelweiss Securities Limited	3.12	-
Amount paid to broker for Cash segment	Edelweiss Securities Limited	729.24	1,116.30
Amount Received from broker for Cash segment	Edelweiss Securities Limited	702.25	1,200.50



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

45. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Shared premises cost received from	Edelweiss Rural & Corporate Services Limited	-	0.68
	ECL Finance Limited	62.13	27.76
	Edelweiss Housing Finance Limited	20.01	10.11
	Edelweiss General Insurance Company Limited	0.02	-
	Edelweiss Asset Reconstruction Company Limited	0.54	-
	Edelweiss Financial Services Limited	0.12	0.07
	Edelweiss Broking Limited	0.96	0.52
	Edelweiss Investment Advisors Limited	-	0.58
	Edelweiss Asset Management Limited	0.11	0.02
Cost reimbursement Received from	ECL Finance Limited	-	25.02
	Edelweiss Housing Finance Limited	-	9.23
	Edelweiss Rural & Corporate Services Limited	-	0.47
	Edelweiss Broking Limited	-	0.33
	Edelweiss Investment Advisors Limited	-	0.21
	Edelweiss Financial Services Limited	-	0.05
Interest income on loan to	Edelweiss Housing Finance Limited	112.07	-
	ECL Finance Limited	56.93	-
	Edelweiss Rural & Corporate Services Limited	6.13	-
Interest income on margin	Edelweiss Custodial Services Limited	10.09	-
Arranger Fee received from	Edelweiss Finvest Private Limited	106.68	-
Expenses			
Shared premises cost paid	Edelweiss Securities Limited	0.28	0.15
	Ecap Equities Limited	1.02	1.79
	ECL Finance Limited	-	0.51
	Edelweiss Broking Limited	-	0.33
	Edelweiss Housing Finance Limited	-	0.48
	Edelweiss Rural & Corporate Services Limited	1.54	1.37
	Edelweiss Custodial Services Limited	0.08	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	1.89	8.86
	Edelweiss Rural & Corporate Services Limited	2.02	0.13
	Ecap Equities Limited	0.00	0.15
	Edelweiss Broking Limited	-	0.29
	Edelweiss Securities Limited	0.05	0.22
	ECL Finance Limited	0.31	0.14
	Edelweiss Housing Finance Limited	-	0.45
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	7.31	-
Interest paid on loan from	Edelweiss Rural & Corporate Services Limited	1.26	52.65
Interest paid on Non convertible debentures	Edelweiss Rural & Corporate Services Limited	2.71	91.13
	Edelweiss Finance & Investments Limited	0.00	26.70
	Edelweiss Finvest Private Limited	6.39	21.88
	ECL Finance Limited	1.02	-
Interest Income on Non convertible Debentures	ECL Finance Limited	2.84	-
Brokerage paid	Edelweiss Securities Limited	1.30	0.53
Clearing charges	Edelweiss Custodial Services Limited	2.63	-
Enterprise Service charge paid to	Edelweiss Rural & Corporate Services Limited	0.24	69.58
	Edelweiss Financial Services Limited	0.02	-
Advisory fees paid to	Edelweiss Housing Finance Limited	-	3.98
Service Fee paid to	Edelweiss Housing Finance Limited	0.03	0.04
CSR-Expenses Paid to	EdelGive Foundation	-	2.50
Commission and brokerage paid to	Edelweiss Broking Limited	-	13.40



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

45. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
ESOP cost reimbursement	Edelweiss Financial Services Limited	0.26	0.94
Rating support fees paid to	Edelweiss Financial Services Limited	0.14	0.16
Director Sitting fees	Mr. Mitul Shah	0.28	0.26
	Mr. Sanjay Shah	0.26	0.30
Remuneration paid to	Mr. Arun Kumar Nayyar	-	18.50
	Mr. Vineet Mahajan	9.21	16.37
	Ms. Kirti Sawant	2.90	-
	Ms. Sudipta Majumdar	0.45	0.90
	Mr. Amit Pandey	0.29	-
Sale of Property, Plant and Equipment	ECL Finance Limited	0.18	1.16
	Edelweiss Broking Limited	0.03	0.81
	Edelweiss Asset Reconstruction Company Limited	-	0.02
	Edelweiss Custodial Services Limited	0.00	0.02
	Edelweiss General Insurance Company Limited	0.02	0.01
	Edelweiss Housing Finance Limited	0.05	0.21
	Edelweiss Insurance Brokers Limited	0.01	0.01
	Edelweiss Rural & Corporate Services Limited	0.04	0.08
	Edelweiss Financial Services Limited	-	0.01
	Edelweiss Securities Limited	0.03	0.11
Purchase of Property, plant and equipment	Edelweiss Rural & Corporate Services Limited	0.02	-
	Edelweiss Securities Limited	0.00	-
	ECL Finance Limited	0.04	-
Balances with related parties:			
Short term borrowing from	Edelweiss Rural & Corporate Services Limited	0.00	0.52
Interest accrued on short term borrowing	Edelweiss Rural & Corporate Services Limited	-	0.79
Short Term loan given to	Edelweiss Housing Finance Limited	13.00	-
	ECL Finance Limited	35.00	-
	Edelweiss Rural & Corporate Services Limited	2,150.00	-
Interest accrued on short term loan given to	Edelweiss Housing Finance Limited	0.11	-
	ECL Finance Limited	13.51	-
	Edelweiss Rural & Corporate Services Limited	5.52	-
Non convertible debentures (at face value) held by	Edelweiss Rural & Corporate Services Limited	17.99	72.40
	Edelweiss Finance & Investments Limited	0.05	-
	ECL Finance Limited	29.07	-
Subordinated debenture (at face value) held by	Edelweiss Finvest Private Limited	71.00	-
Perpetual debentures (at face value) held in	ECL Finance Limited	210.00	-
Interest accrued on Non convertible debentures	Edelweiss Rural & Corporate Services Limited	0.04	1.82
	ECL Finance Limited	0.11	-
	Edelweiss Finance and Investments Ltd	0.00	-
Interest accrued on subordinated debentures held by	Edelweiss Finvest Private Limited	1.83	-
Interest accrued on Perpetual debentures held in	ECL Finance Limited	19.35	-
Trade Payables	Edelweiss Housing Finance Limited	0.17	0.42
	Edelweiss Financial Services Limited	0.27	0.17
	Edelweiss Rural & Corporate Services Limited	0.32	19.42
	ECL Finance Limited	0.77	3.34
	Edelweiss Securities Limited	0.51	0.14
	Edelweiss Broking Limited	0.02	0.06
	Ecap Equities Limited	0.12	0.34
	Edelweiss Custodial Services Limited	0.01	-



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

45. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
Other payable	Edelweiss Financial Services Limited	2.40	0.94
Trade Receivables	ECL Finance Limited	7.30	14.81
	Edelweiss Broking Limited	0.14	0.07
	Edelweiss Rural & Corporate Services Limited	0.27	2.28
	Edelweiss Housing Finance Limited	2.15	5.48
	Edelweiss Financial Services Limited	0.01	0.03
	Edelweiss Finance and Investments Limited	0.01	0.02
	Edelweiss Asset Reconstruction Company Limited	0.24	-
	Edelweiss Insurance Brokers Limited	-	0.02
	Edelweiss General Insurance Company Limited	0.02	0.01
	Edelweiss Asset Management Limited	0.02	-
	Edelweiss Custodial Services Limited	1.01	-
Other receivable	Edelweiss Rural & Corporate Services Limited	74.40	-
Margin payable	Edelweiss Custodial Services Limited	0.24	-

1 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.

2 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

3 The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2020 and 31 March 2019.



46. Leases

46.1. Transition to Ind AS 116 on Lease

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all long-term lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability and the right of use assets at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported as per accounting policies included as part of our financial statement for the year ended March 31, 2019.

Measurement of lease liability	As at April 1, 2019
(a) Opening lease commitment disclosed as at March 31, 2019	23.66
(b) Discounted using the lessee's incremental borrowing rate of at the date of initial application	(1.40)
(c) Short Term Lease	-
(d) Low value Lease	-
(e) Change in lease term under Ind AS 116	160.84
(f) Other adjustments (please specify)	-
(g) Lease liability recognised as at 1 April 2019	183.10

The change in accounting policy affected the following items in balance sheet as on April 1, 2019

(a) Lease liability	183.10
(b) Right-of-use Asset (ROU)	164.44
(c) Deferred tax	6.52
(d) Net impact on retained earnings as on April 1, 2019 (reduction)	12.14

46.2. Set out below are the carrying amounts of right-of-use assets recognised and the movements

	For the year ended March 31, 2020
Balance as at April 1, 2019	164.44
Addition	1.41
Amortisation for the year	(49.95)
Balance as at March 31, 2020	115.90

46.3. Set out below are the carrying amounts of lease liabilities and the movements

Balance as at April 1, 2019	183.10
Additions/ reversal (net)	(9.23)
Interest on lease liabilities	12.90
Repayment of lease obligation	(47.45)
Balance as at March 31, 2020	139.31

46.4. Amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	49.95
Interest expense on lease liabilities	12.90
Total	62.85

46.5. Total cash outflow for leases:

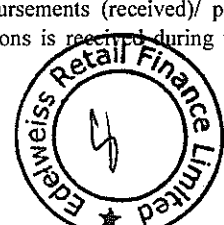
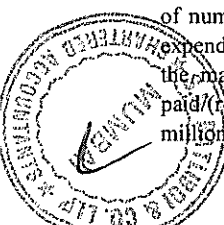
Cash outflow of long term leases	47.45
Cash outflow of short term leases	1.71
Total	49.16

46.6. Details regarding the contractual maturities of lease liabilities, on an undiscounted basis

	As at March 31, 2020
Less than 1 year	47.01
1-3 years	77.94
3-5 years	20.14
More than 5 years	10.67
Total	155.76

47. Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, 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 36 and 37 include reimbursements (received)/ paid and are net of reimbursements paid/(received). Based on the management's best estimate Rs. (76.70) millions is received during the year (Previous year Rs. (60.16) millions).



48. Risk Management

(a) Introduction and risk profile

The Company's overall objective is to manage its business, 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 follows following for effective risk management:

- 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 ensure improvement through efforts to enhance controls, ongoing employee training and development and other measures.

(b) Risk Management Structure

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

Company's risk management policy ensures that the margin requirements are able to withstand market volatility and scenarios of sharply declining prices. The Company centralises the risk monitoring systems to monitor it's 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. Company's key business processes are regularly monitored by the business and/or operation heads. Company's loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of 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 stakeholder on the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that 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, that they decide to take on. 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 it's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

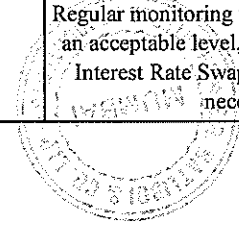
(d) Types of Risks

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

Risk	Exposure Arising from	Measurement	Management of risk
Credit Risk	Cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging Analysis, Credit Ratings	Credit limits and regular monitoring.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market Risk	Investments in Government Securiteis, Treasury Bills, Equity Shares, Futures & Options	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the exposure at an acceptable level, with option of taking Interest Rate Swaps/Futures if deemed necessary.



8



48.1. 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 loans and trade receivables. The Company has 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.

(a) 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 I
Standard grade	31 to 90 dpd*	Stage II
Non-performing		
Individually impaired	90+ dpd*	Stage III

*Days past due

(b) Expected Credit Loss

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:

An unbiased and probability weighted amount that evaluates a range of possible outcomes

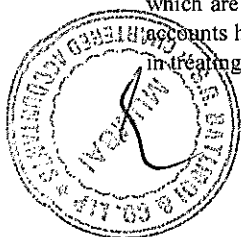
Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;

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.

(c) 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.



48.1. Credit Risk

(d) **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.

(e) **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. 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 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.

(f) **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:

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

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

(g) **Forward looking adjustments**

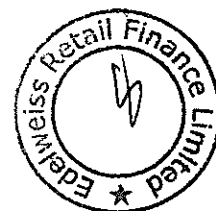
“A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future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

The 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. 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 involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

(h) **Data sourcing**

The Company ensure to obtain reasonable and supportable information that is available without undue cost or effort. Accordingly, 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.



48.1. Credit Risk

(i) Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. These probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, considering 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.



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

48.1. Credit Risk

48.1.1. Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year-end stage classification are further disclosed in Note 12.

Industry analysis

As at March 31, 2020	Financial services	Retail	Construction	Wholesale	Total
Financial assets					
Cash and cash equivalent and other bank balances	2,983.54	-	-	-	2,983.54
Stock in trade	142.02	-	-	-	142.02
Trade receivables	12.47	-	-	-	12.47
Loans	2,217.07	8,425.35	338.54	4,663.03	15,643.99
Investments	-	471.23	-	-	471.23
Other financial assets	158.77	-	-	-	158.77
	<u>5,513.87</u>	<u>8,896.58</u>	<u>338.54</u>	<u>4,663.03</u>	<u>19,412.02</u>
Loan Commitments	-	-	155.16	-	155.16
Total	<u>5,513.87</u>	<u>8,896.58</u>	<u>493.70</u>	<u>4,663.03</u>	<u>19,567.18</u>

As at March 31, 2019	Financial services	Retail	Construction	Wholesale	Total
Financial assets					
Cash and cash equivalent and other bank balances	5,408.05	-	-	-	5,408.05
Stock in trade	-	-	-	-	-
Trade receivables	24.77	-	-	-	24.77
Loans	-	17,550.28	1,066.14	-	18,616.42
Investments	-	-	-	-	-
Other non financial assets	90.11	-	-	-	90.11
	<u>5,522.93</u>	<u>17,550.28</u>	<u>1,066.14</u>	<u>-</u>	<u>24,139.35</u>
Loan Commitments	-	0.88	245.26	-	246.14
Total	<u>5,522.93</u>	<u>17,551.16</u>	<u>1,311.40</u>	<u>-</u>	<u>24,385.49</u>



48.1. Credit Risk

48.1.2. Collateral held and other credit enhancements

- (a) The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral:

	Maximum exposure to credit risk (carrying amount before ECL)		Principal type of collateral
	As at March 31, 2020	As at March 31, 2019	
Financial assets			
Loans (at amortised cost)			
(i) Retail loans	7,932.69	12,945.93	Property; book receivables
(ii) Wholesale loans	2,809.43	-	Property; book receivables
Total (A)	10,742.12	12,945.93	
Loan commitments	155.16	246.14	Property; book receivables
Total (B)	155.16	246.14	
Total (A + B)	10,897.28	13,192.07	

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

As at March 31, 2020

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans (at amortised cost)				
(i) Retail loans	282.33	62.66	219.67	368.71
(ii) Wholesale loans	99.05	12.54	86.51	130.00
Total (A)	381.38	75.20	306.18	498.71
Loan commitments	-	-	-	-
Total (B)	-	-	-	-
Total (A + B)	381.38	75.20	306.18	498.71

As at March 31, 2019

Financial assets				
Loans (at amortised cost)				
(i) Retail loans	598.40	86.31	512.09	615.16
(ii) Wholesale loans	-	-	-	-
Total (A)	598.40	86.31	512.09	615.16
Loan commitments	-	-	-	-
Total (B)	-	-	-	-
Total (A + B)	598.40	86.31	512.09	615.16



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

48.1. Credit Risk

48.1.3. Overview of modified and forborne loans

The table below includes assets that were modified and, therefore, treated as forborne during the year, with the related modification gain / (loss) suffered by the Company.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amortised costs of financial assets modified during the year	73.68	64.94
Net modification gain / (loss)	3.21	1.09

48.1.4. Allowance for expected credit loss on securitisation portfolio is Rs. 0.11 millions as at March 31, 2020 (Previous year Rs. 1.19 millions).

48.1.5. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	As at March 31, 2020	As at March 31, 2019
Securitisations		
Carrying amount of transferred assets (held as Collateral)	583.48	-
Carrying amount of associated liabilities	449.55	-
Fair value of assets	574.06	-
Fair value of associated liabilities	449.55	-
Net position at FV	124.52	-



48.2. Liquidity Risk

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

The company has financing arrangement from banks/ financial institutions in form of committed credit lines.

48.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities

As at March 31, 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	681.18	1,750.17	-	22.57	250.07	279.55	-	-	-	-	2,983.54
Stock-in-trade	-	-	-	-	142.02	-	-	-	-	-	142.02
Trade receivables	-	-	-	12.47	-	-	-	-	-	-	12.47
Loans	-	394.74	52.33	375.79	589.51	3,347.15	4,846.44	4,813.42	2,191.57	5,957.79	22,568.74
Investments	-	-	-	-	-	-	103.25	55.52	-	471.23	630.00
Other financial assets	-	-	-	-	-	74.40	28.85	55.52	-	-	158.77
Total undiscounted financial assets	681.18	2,144.91	52.33	410.83	981.60	3,701.10	4,978.54	4,924.46	2,191.57	6,429.02	26,495.54
B. Financial Liabilities											
Trade payables	-	-	-	68.69	-	-	-	-	-	-	68.69
Debt securities	-	5.98	-	5.79	5.98	128.98	2,431.04	2,503.34	162.28	1,137.68	6,381.07
Borrowings (other than debt securities)	-	-	189.80	77.19	837.06	1,082.78	2,227.75	3,962.00	-	-	8,376.58
Subordinated financial liabilities	-	-	-	-	-	22.26	149.34	342.10	342.94	2,727.34	3,583.98
Other financial liabilities	-	37.64	43.29	62.76	79.10	153.21	136.11	117.00	-	-	629.11
Total undiscounted financial liabilities	-	43.62	233.09	214.43	922.14	1,387.23	4,944.24	6,924.44	505.22	3,865.02	19,039.43
Net financial assets / (liabilities)	681.18	2,101.29	(180.76)	196.40	59.46	2,313.87	34.30	(1,999.98)	1,686.35	2,564.00	7,456.11

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2020 is Rs. 418 million.

48.2.2. The table below shows the expected maturity of the Company's loan commitments

Undrawn loan commitments	-	-	-	-	155.16	-	-	-	-	-	155.16
Total	-	-	-	-	155.16	-	-	-	-	-	155.16



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

48.2. Liquidity Risk

As at March 31, 2019

A. Financial Assets

Cash and cash equivalent and other bank balances

Stock-in-trade

Trade receivables

Loans

Other financial assets

Total undiscounted financial assets

B. Financial Liabilities

Trade payables

Debt securities

Borrowings (other than debt securities)

Subordinated financial liabilities

Other financial liabilities

Total undiscounted financial liabilities

Net financial assets / (liabilities)

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2019 is Rs. 771.59 million.

The table below shows the expected maturity of the Company's loan commitments

Undrawn loan commitments

Total

	On demand	1 to 14 days	15 days to 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
3,238.12	3,238.12	-	284.93	-	-	1,885.00	-	-	-	5,408.05
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	24.77	-	-	-	-	-	24.77
-	1,095.41	183.02	893.04	958.93	2,499.92	4,336.13	5,546.09	3,480.51	8,909.20	27,902.22
-	-	-	31.67	-	-	-	-	-	58.43	90.11
3,238.12	1,095.41	467.95	949.48	958.93	2,499.92	6,221.13	5,546.09	3,480.51	8,967.63	33,425.15
B. Financial Liabilities										
-	-	-	268.37	-	-	-	-	-	-	268.37
-	-	-	5.79	5.98	17.75	387.24	2,839.01	2,210.19	1,219.23	6,685.18
93.01	162.56	109.20	909.78	1,251.81	3,648.49	6,685.92	1,356.24	-	-	14,217.01
-	-	-	-	-	22.20	149.20	342.60	342.20	2,899.20	3,755.40
-	-	-	2.46	-	-	-	-	-	-	2.46
93.01	162.56	109.20	1,186.40	1,257.79	3,688.44	7,222.36	4,537.85	2,552.39	4,118.43	24,928.42
3,145.11	932.85	358.75	(236.92)	(298.86)	(1,188.52)	(1,001.24)	1,008.24	928.12	4,849.20	8,496.73
Undrawn loan commitments										
-	-	-	-	-	-	246.14	-	-	-	246.14
-	-	-	-	-	-	246.14	-	-	-	246.14



48.2. Liquidity Risk

48.2.3. Financial assets available to support future funding

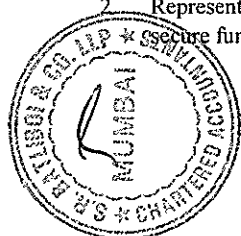
Following table sets out availability of company's financial assets to support funding

As at March 31, 2020	Encumbered Pledge as collateral	Contractually/ legally restricted assets ¹	Unencumbered Available as collateral	others ²	Total carrying amount
Cash and cash equivalent including bank balance	1,871.27	-	1,112.27	-	2,983.54
Stock in trade	-	-	142.02	-	142.02
Trade receivables	-	-	12.47	-	12.47
Loans	12,681.18	2,962.81	-	-	15,643.99
Investments	-	471.23	-	-	471.23
Property, Plant and Equipment	0.37	-	-	-	0.37
Other financial assets	-	-	-	-	-
Total assets	14,552.82	3,434.04	1,266.76	-	19,253.62

As at March 31, 2019	Encumbered Pledge as collateral	Contractually/ legally restricted assets ¹	Unencumbered Available as collateral	others ²	Total carrying amount
Cash and cash equivalent including bank balance	712.28	-	4,695.77	-	5,408.05
Trade receivables	-	-	24.77	-	24.77
Loans	18,616.42	-	-	-	18,616.42
Investments	-	-	-	-	-
Property, Plant and Equipment	0.37	-	-	-	0.37
Other financial assets	-	-	-	-	-
Total assets	19,329.07	-	4,720.54	-	24,049.61

¹ Represents assets which are not pledged and Group believes it is restricted from using to secure funding for legal or other

² Represents assets which are not restricted for use as collateral, but that the group would not consider readily available to secure funding in the normal course of business



48.3. Market Risk

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. 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.

Exposure to market risk – Non trading portfolios

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.

48.3.1 Total market risk exposure

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company classifies its exposures to market risk into non-trading portfolios.

Particulars	As at March 31, 2020			As at March 31, 2019			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Financial Assets							
Cash and cash equivalent and other bank balances	2,983.54	-	2,983.54	5,408.05	-	5,408.05	Interest rate
Stock in trade	142.02	142.02	-	-	-	-	Interest rate
Loans	15,643.99	-	15,643.99	18,616.42	-	18,616.42	Interest rate
Investments	471.23	-	471.23	-	-	-	Interest rate
Trade receivables	12.47	-	12.47	24.77	-	24.77	
Other financial assets	158.77	-	158.77	90.12	-	90.12	
Total	19,412.02	142.02	19,270.00	24,139.36	-	24,139.36	
Financial Liability							
Debt securities	4,939.06	-	4,939.06	4,909.92	-	4,909.92	Interest rate
Borrowings (other than Debt Securities)	7,499.12	-	7,499.12	12,461.50	-	12,461.50	Interest rate
Subordinated Liabilities	2,089.06	-	2,089.06	2,060.80	-	2,060.80	Interest rate
Trade payables	68.69	-	68.69	268.37	-	268.37	
Other liabilities	629.11	-	629.11	2.46	-	2.46	
Total	15,225.04	-	15,225.04	19,703.05	-	19,703.05	



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

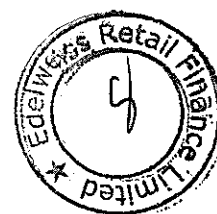
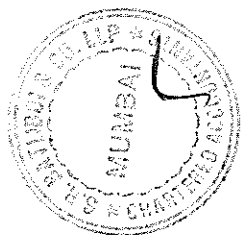
48.3. Market Risk

48.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. 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 as at year end.

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.

For the year ended	Increase/ (Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax	Increase in Equity	(Decrease) in Equity
INR Loans					
March 31, 2020	25/(25)	13.49	(13.49)	13.49	(13.49)
March 31, 2019	25/(25)	18.22	(18.22)	18.22	(18.22)
INR Borrowings					
March 31, 2020	25/(25)	(14.03)	14.03	(14.03)	14.03
March 31, 2019	25/(25)	(20.21)	20.21	(20.21)	20.21



49.1. Fair Value measurement:

A. Valuation principles

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

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

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

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

Refer note 3.11 for more details on fair value hierarchy

B. Valuation governance framework

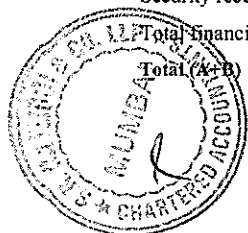
The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by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

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

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

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

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial Assets held for trading				
Other debt securities	142.02	-	-	142.02
Total financial instruments measured at fair value - A	142.02	-	-	142.02
Other financial assets				
Security receipts	-	-	471.23	471.23
Total financial instruments measured at fair value - B	-	-	471.23	471.23
Total (A+B)	142.02	-	471.23	613.25
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial Assets held for trading				
Other debt securities	-	-	-	-
Total financial instruments measured at fair value - A	-	-	-	-
Other financial assets				
Security receipts	-	-	-	-
Total financial instruments measured at fair value - B	-	-	-	-
Total (A+B)	-	-	-	-



49.1. Fair Value measurement:

D. Valuation techniques:

Debt securities

Whilst most of these instruments are standard fixed rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded 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

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	Total
Investments - at April 1, 2019	-	-
Purchase	501.84	501.84
Sale/Redemption proceeds	(30.61)	(30.61)
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2020	<u>471.23</u>	<u>471.23</u>
Unrealised gain/(Loss) related to balances held at the end of the year	-	-
Financial year ended March 2019	Security receipts	Total
Investments - at April 1, 2018	-	-
Purchase	-	-
Sale/Redemption proceeds	-	-
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2019	<u>-</u>	<u>-</u>
Unrealised gain/(Loss) related to balances held at the end of the year	-	-



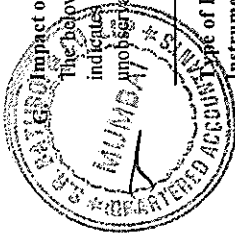
49.1. Fair Value measurement:

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 i.e. Securities receipts. The range of values indicated the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed 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	471.23	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	694.11	5% increase in Expected future Cash flow	29.75	5% Decrease in Expected future Cash flow	(29.75)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(2.09)	0.5% Decrease in Risk-adjusted discount rate	2.11

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
Security receipts	-	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	-	5% increase in Expected future Cash flow	-	5% Decrease in Expected future Cash flow	-
			Risk-adjusted discount rate	-	0.5% increase in Risk-adjusted discount rate	-	0.5% Decrease in Risk-adjusted discount rate	-



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

49.2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

As on March 31, 2020	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets					
Loans	15,643.99	15,987.45	-	-	15,987.45
Total	15,643.99	15,987.45	-	-	15,987.45
Financial liabilities					
Debt securities	4,939.06	5,274.18	-	5,274.18	-
Subordinated liabilities	2,089.06	2,125.16	-	2,125.16	-
Total	7,028.12	7,399.33	-	7,399.33	-
As on March 31, 2019					
Financial assets:					
Loans	18,616.42	19,138.61	-	-	19,138.61
Total	18,616.42	19,138.61	-	-	19,138.61
Financial liabilities:					
Debt securities	4,909.92	5,031.92	-	5,031.92	-
Subordinated liabilities	2,060.80	2,125.16	-	2,125.16	-
Total	6,970.72	7,157.08	-	7,157.08	-

Valuation methodologies of financial instruments not measured at fair value

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

Short term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet. Cash and cash equivalent and Bank balances other than cash and cash equivalents have been classified as Level 1.



49.2. Financial instruments not measured at fair value

Financial assets at amortised cost

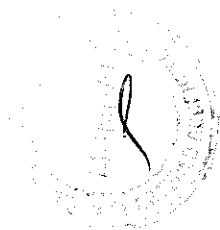
The fair values of financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. In case of floating interest rate linked loans, since such loans are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of loans is deemed to be equivalent of fair value.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

Financial liabilities at amortised cost

The fair values of financial liabilities 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. In case of floating interest rate linked borrowings, since such borrowings are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such borrowings is deemed to be equivalent of fair value.



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

50. Trade receivables

Provision matrix for Trade receivables

Particulars	Trade receivables days past due	1-90days	91-180 days	181-360 days	more than 360 days	Total
ECL rate		0.27%	1.79%	17.88%	100.00%	
As at	Estimated total gross carrying amount at default	10.78	1.35	0.48	-	12.61
March 31, 2020	ECL - Simplified approach	(0.03)	(0.02)	(0.09)	-	(0.14)
	Net carrying amount	<u>10.75</u>	<u>1.33</u>	<u>0.39</u>	<u>-</u>	<u>12.47</u>
As at	Estimated total gross carrying amount at default	23.94	0.15	0.44	0.62	25.15
March 31, 2019	ECL - Simplified approach	-	-	-	(0.38)	(0.38)
	Net carrying amount	<u>23.94</u>	<u>0.15</u>	<u>0.44</u>	<u>0.24</u>	<u>24.77</u>



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

51. Details of the loan taken from Banks and other parties

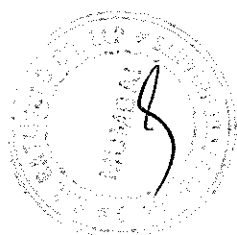
Nature of Security and terms of repayment for secured borrowings

All Secured long term borrowings are secured by way of hypothecation of receivables i.e.loans & advances.

(a) Details of term loan taken from Banks (excluding of Interest accrued on Term loans and EIR impact)

As at March 31 2020

Month of Maturity/Repayment	Rate of Interest		
	9.00% to 9.99%	10.00% to 10.99%	Grand Total
December-22	62.50	140.61	203.11
September-22	209.38	140.63	350.00
July-22	-	31.25	31.25
June-22	209.38	140.63	350.00
May-22	18.75	-	18.75
April-22	17.86	31.25	49.11
March-22	209.38	171.88	381.25
February-22	18.75	-	18.75
January-22	17.86	31.25	49.11
December-21	209.38	171.88	381.25
November-21	18.75	-	18.75
October-21	17.86	31.25	49.11
September-21	209.38	171.88	381.25
August-21	18.75	-	18.75
July-21	17.86	31.25	49.11
June-21	209.38	171.88	381.25
May-21	18.75	-	18.75
April-21	17.86	31.25	49.11
March-21	361.16	171.88	533.03
February-21	18.75	-	18.75
January-21	17.86	31.25	49.11
December-20	451.68	171.88	623.55
November-20	18.75	-	18.75
October-20	17.86	31.25	49.11
September-20	556.28	171.88	728.15
August-20	18.75	-	18.75
July-20	17.86	31.25	49.11
June-20	556.28	171.88	728.15
May-20	18.75	-	18.75
April-20	17.86	31.25	49.11
Total	3,573.60	2,109.36	5,682.96



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

51. Details of the loan taken from Banks and other parties

Nature of Security and terms of repayment for secured borrowings

All Secured long term borrowings are secured by way of hypothecation of receivables i.e. loans & advances.

(a) Details of term loan taken from Banks (excluding of Interest accrued on Term loans and EIR impact) (continued)

As at March 31 2019

Month of Maturity/Repayment	Rate of Interest			Grand Total
	8.00%-8.99%	9.00% to 9.99%	10.00% to 10.99%	
December-22	-	139.50	62.49	201.99
September-22	-	287.58	62.50	350.08
July-22	31.25	-	-	31.25
June-22	-	287.58	62.50	350.08
May-22	-	18.75	-	18.75
April-22	31.25	17.86	-	49.11
March-22	31.25	287.58	62.50	381.33
February-22	-	18.75	-	18.75
January-22	31.25	17.86	-	49.11
December-21	31.25	287.58	62.50	381.33
November-21	-	18.75	-	18.75
October-21	31.25	17.86	-	49.11
September-21	31.25	287.58	62.50	381.33
August-21	-	18.75	-	18.75
July-21	31.25	17.86	-	49.11
June-21	31.25	287.58	62.50	381.33
May-21	-	18.75	-	18.75
April-21	31.25	17.86	-	49.11
March-21	31.25	439.36	62.50	533.11
February-21	-	18.75	-	18.75
January-21	31.25	17.86	-	49.11
December-20	31.25	486.29	106.09	623.63
November-20	-	18.75	-	18.75
October-20	31.25	17.86	-	49.11
September-20	72.92	587.60	109.38	769.89
August-20	-	18.75	-	18.75
July-20	31.25	17.86	-	49.11
June-20	72.92	587.60	109.38	769.89
May-20	-	18.75	-	18.75
April-20	64.58	17.86	-	82.44
March-20	72.92	587.60	109.38	769.89
February-20	-	18.75	-	18.75
January-20	64.58	17.86	-	82.44
December-19	72.92	587.60	109.38	769.89
November-19	-	18.75	-	18.75
October-19	64.58	17.86	-	82.44
September-19	72.92	587.60	109.38	769.89
August-19	-	18.75	-	18.75
July-19	64.58	17.86	-	82.44
June-19	72.92	587.60	109.38	769.89
May-19	-	18.75	-	18.75
April-19	64.58	17.86	-	82.44
Total	1,229.17	6,792.09	1,262.33	9,283.58



51. Details of the loan taken from Banks and other parties

Nature of Security and terms of repayment for secured borrowings

All Secured long term borrowings are secured by way of hypothecation of receivables i.e.loans & advances.

(b) Details of term loan taken from SIDBI (excluding of Interest accrued on Term loans and EIR impact)

As at March 31 2020

Month of Maturity/Repayment	Rate of Inerest	
	10.00% to 10.99%	Grand Total
March-23	52.50	52.50
December-22	52.50	52.50
September-22	52.50	52.50
June-22	52.50	52.50
April-22	89.00	89.00
March-22	52.50	52.50
January-22	83.00	83.00
December-21	52.50	52.50
October-21	83.00	83.00
September-21	52.50	52.50
July-21	83.00	83.00
June-21	52.50	52.50
April-21	83.00	83.00
March-21	52.50	52.50
January-21	83.00	83.00
December-20	52.50	52.50
October-20	83.00	83.00
September-20	52.50	52.50
July-20	83.00	83.00
June-20	52.50	52.50
April-20	83.00	83.00
Total	1,383.00	1,383.00

(b) Details of term loan taken from SIDBI (excluding of Interest accrued on Term loans and EIR impact) (continued)

As at March 31 2019

Month of Maturity/Repayment	Rate of Inerest		
	<=9.99%	10.00% to 10.99%	Grand Total
Mar-2023	-	52.50	52.50
Dec-2022	-	52.50	52.50
Sep-2022	-	52.50	52.50
Jun-2022	-	52.50	52.50
Apr-2022	89.00	-	89.00
Mar-2022	-	52.50	52.50
Jan-2022	83.00	-	83.00
Dec-2021	-	52.50	52.50
Oct-2021	83.00	-	83.00
Sep-2021	-	52.50	52.50
Jul-2021	83.00	-	83.00
Jun-2021	-	52.50	52.50
Apr-2021	83.00	-	83.00
Mar-2021	-	52.50	52.50
Jan-2021	83.00	-	83.00
Dec-2020	-	52.50	52.50
Oct-2020	83.00	-	83.00
Sep-2020	-	52.50	52.50
Jul-2020	83.00	-	83.00
Jun-2020	-	52.50	52.50
Apr-2020	83.00	-	83.00
Mar-2020	-	52.50	52.50
Jan-2020	83.00	-	83.00
Dec-2019	-	52.50	52.50
Oct-2019	83.00	-	83.00
Sep-2019	-	52.50	52.50
Jul-2019	83.00	-	83.00
Jun-2019	-	52.50	52.50
Apr-2019	83.00	-	83.00
Total	1,085.00	840.00	1,925.00



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

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

As at March 31 2020

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount*
ERFL/Public NCD/Series VI	9.25%	22-Mar-2018	22-Mar-2028	4,83,173	483.17
ERFL/Public NCD/Series V	8.88%	22-Mar-2018	22-Mar-2028	4,09,205	409.21
ERFL/Public NCD/Series IV	9.00%	22-Mar-2018	22-Mar-2023	6,39,638	639.64
ERFL/Public NCD/Series III	8.65%	22-Mar-2018	22-Mar-2023	2,34,347	234.35
ERFL/NCD/07Nov22	8.50%	07-Nov-2017	07-Nov-2022	1,000	1,000.00
ERFL/NCD/ 29Jul21	0.00%	03-Aug-2018	29-Jul-2021	100	100.00
ERFL/Public NCD/Series II	8.75%	22-Mar-2018	22-Mar-2021	18,79,450	1,879.45
ERFL/Public NCD/Series I	8.42%	22-Mar-2018	22-Mar-2021	1,63,967	163.97
					<u>4,909.78</u>

As at March 31 2019

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount*
ERFL/Public NCD/Series VI	9.25%	22-Mar-2018	22-Mar-2028	4,83,173	483.17
ERFL/Public NCD/Series V	8.88%	22-Mar-2018	22-Mar-2028	4,09,205	409.21
ERFL/Public NCD/Series IV	9.00%	22-Mar-2018	22-Mar-2023	6,39,638	639.64
ERFL/Public NCD/Series III	8.65%	22-Mar-2018	22-Mar-2023	2,34,347	234.35
ERFL/NCD/07Nov22	8.50%	07-Nov-2017	07-Nov-2022	1,000	1,000.00
ERFL/NCD/ 29Jul21	0.00%	03-Aug-2018	29-Jul-2021	100	100.00
ERFL/Public NCD/Series II	8.75%	22-Mar-2018	22-Mar-2021	18,79,450	1,879.45
ERFL/Public NCD/Series I	8.42%	22-Mar-2018	22-Mar-2021	1,63,967	163.97
					<u>4,909.78</u>

*Excluding of Interest accrued on Term loans and EIR impact

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

As at March 31 2020

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	Amount*
INE528S08043	9.25%	06-Oct-2017	06-Oct-2027	1,000	1,000.00
INE528S08035	9.25%	31-Jul-2017	31-Jul-2027	240	240.00
INE528S08027	9.95%	10-Oct-2016	09-Oct-2026	120	120.00
INE528S08019	0.00%	25-May-2015	26-May-2025	140	140.00
					<u>1,500.00</u>

As at March 31 2019

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	Amount*
INE528S08043	9.25%	06-Oct-2017	06-Oct-2027	1,000	1,000.00
INE528S08035	9.25%	31-Jul-2017	31-Jul-2027	240	240.00
INE528S08027	9.95%	10-Oct-2016	09-Oct-2026	120	120.00
INE528S08019	0.00%	25-May-2015	26-May-2025	140	140.00
					<u>1,500.00</u>

*Excluding of Interest accrued on Term loans and EIR impact

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

As at March 31 2020

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	Amount*
INE528S08050	9.75%	26-Dec-2017	Perpetual	200	200.00
INE528S08068	10.00%	07-Feb-2018	Perpetual	250	250.00
					<u>450.00</u>

As at March 31 2019

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	Amount*
INE528S08050	9.75%	26-Dec-2017	Perpetual	200	200.00
INE528S08068	10.00%	07-Feb-2018	Perpetual	250	250.00
					<u>450.00</u>

*Excluding of Interest accrued on Term loans and EIR impact



55. 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.

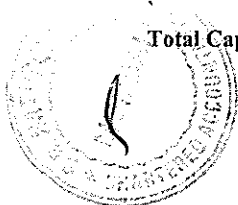
(a) The Pillars of its policy are as follows:

- 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 liabilities issuances domestically and internationally by ensuring that the financial strength of their balance sheets are 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

(b) Regulatory Capital

The below regulatory capital is computed in accordance with RBI/DNBR/2016-17/45 - Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016 (updated time to time) read with RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 - Implementation of Indian Accounting Standards dated March 13, 2020 issued by Reserve Bank of India on Ind AS financial statements.

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Funds		
Common Equity Tier1 (CET1) capital	2,906.41	4,861.75
Other Tier 2 capital instruments (CET2)	1,421.71	1,748.32
Total capital	4,328.12	6,610.07
Risk weighted assets	14,733.08	19,513.24
CET1 Capital ratio	19.73%	24.92%
	9.65%	8.96%
Total Capital ratio	29.38%	33.87%



56. Regulatory Disclosures

(i) Foreign currency

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

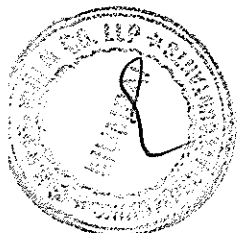
(ii) Investments

Particulars		As at March 31, 2020	As at March 31, 2019
Value of Investments			
(i)	Gross value of Investments		
	(a) In India	471.23	Nil
	(b) Outside India	-	Nil
(ii)	Provisions for Depreciation		
	(a) In India	-	Nil
	(b) Outside India	-	Nil
(iii)	Net value of Investments		
	(a) In India	471.23	Nil
	(b) Outside India	-	Nil
Movement of provisions held towards depreciation on investments			
(i)	Opening balance	-	Nil
(ii)	Add: Provisions made during the year	-	Nil
(iii)	Less: Write-off / Written-bank of excess provisions during the year	-	Nil
(iv)	Closing balance	-	Nil

(iii) Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

S.No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the applicable NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps \$	Nil	Nil
(v)	The fair value of the swap book @	Nil	Nil
	Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.		
	\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
	@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the applicable NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.		



56. Regulatory Disclosures

(b) Exchange Traded Interest Rate (IR) Derivatives

S.No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	
a)		Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2020 (instrument-wise)	
a)		Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a)		Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a)		Nil

(c) Qualitative Disclosures

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil)

(d) Quantitative Disclosures

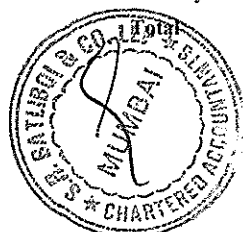
Sr. No	Particular	Current Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	Nil	Nil
	For hedging	Nil	Nil
(ii)	Marked to Market Positions [1]	Nil	Nil
	a) Asset (+)	Nil	Nil
	b) Liability (-)	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

(iv) Asset liability management

Maturity pattern of certain items of assets and liabilities

As at March 31, 2020

Buckets	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Assets
1 day to 7 days	-	375.73	-	-	-	-
8 day to 14 days	-	37.17	-	-	-	-
15 days to 30/31 days (One month)	-	72.80	-	204.28	-	-
Over 1 month upto 2 months	-	291.07	-	18.75	-	-
Over 2 months upto 3 months	-	420.68	-	780.65	-	-
Over 3 months upto 6 months	-	2,928.79	-	946.37	-	-
Over 6 months upto 1 year	-	4,228.73	-	4,105.83	-	-
Over 1 year upto 3 years	-	3,188.33	-	5,613.64	-	-
Over 3 years upto 5 years	-	1,109.40	-	-	-	-
Over 5 years	-	3,484.10	471.23	2,857.72	-	-
Total	-	16,136.80	471.23	14,527.24	-	-



56. Regulatory Disclosures

Maturity pattern of certain items of assets and liabilities

As at March 31, 2019

Buckets	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Assets
1 day to 7 days	-	-	-	-	-	-
8 day to 14 days	-	1,087.83	-	83.52	-	-
15 days to 30/31 days (One month)	-	170.25	-	125.50	-	-
Over 1 month upto 2 months	-	676.11	-	25.01	-	-
Over 2 months upto 3 months	-	750.48	-	822.39	-	-
Over 3 months upto 6 months	-	1,924.88	-	1,021.35	-	-
Over 6 months upto 1 year	-	3,391.69	-	3,341.88	-	-
Over 1 year upto 3 years	-	3,304.94	-	8,028.67	-	-
Over 3 years upto 5 years	-	1,852.43	-	3,175.41	-	-
Over 5 years	-	5,920.08	-	2,808.49	-	-
Total	-	19,078.69	-	19,432.22	-	-

(v) Capital to risk assets ratio (CRAR)

	As at March 31, 2020	As at March 31, 2019
i) CRAR (%)	29.38%	33.87%
ii) CRAR - Tier I capital (%)	19.73%	24.92%
iii) CRAR - Tier II Capital (%)	9.65%	8.96%
iv) Amount of subordinated debt raised as Tier-II capital	-	-
v) Amount raised by issue of perpetual debt instruments	-	-

(vi) Direct assignment & Securitisation

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

	As at March 31, 2020	As at March 31, 2019
1 No. of SPVs sponsored by the NBFC for securitisation transactions	3	3
2 Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	635.12	68.22
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	466.87	243.30
a) Off-balance sheet exposures		
- First loss	158.66	243.30
- Others	-	-
b) On-balance sheet exposures		
- First loss	171.23	-
- Others	136.98	-
4 Amount of exposures to assignment transactions other than MRR		
a) Off-balance sheet exposures	-	-
i) Exposure to own securitisations	-	-
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations	-	-
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	-
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-

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



56. Regulatory Disclosures

(b) Disclosures in the notes to the accounts in respect of assignment transactions

		As at March 31, 2020	As at March 31, 2019
1	No. of SPVs sponsored by the NBFC for assignment transactions	4	6
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	554.87	950.17
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	61.80	105.57
a)	Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
b)	On-balance sheet exposures		
	- First loss	-	-
	- Others	61.80	105.57
4	Amount of exposures to assignment transactions other than MRR	-	-
a)	Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
b)	On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-

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

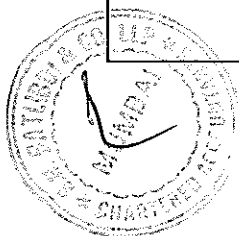
		For the year ended March 31, 2020	For the year ended March 31, 2019
i)	No. of accounts	51	Nil
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	812.28	Nil
iii)	Aggregate consideration	695.38	Nil
iv)	Additional consideration realized in respect of accounts transferred in earlier years	0.00	Nil
v)	Aggregate gain / loss over net book value	(116.90)	Nil

(d) Details of Assignment transactions undertaken

		For the year ended March 31, 2020	For the year ended March 31, 2019
i)	No. of accounts	Nil	39.00
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	442.06
iii)	Aggregate consideration	Nil	442.06
iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	-
v)	Aggregate gain / loss over net book value	Nil	20.69

(e) Details of Securitization transactions undertaken

		For the year ended March 31, 2020	For the year ended March 31, 2019
i)	No. of accounts	2,045	Nil
ii)	Aggregate value (net of provisions) of accounts sold	1,712.29	Nil
iii)	Aggregate consideration	1,575.30	Nil
iv)	Additional consideration realized in respect	-	Nil
v)	Aggregate gain / loss over net book value	-	Nil



56. Regulatory Disclosures

(vi) Details of non-performing financial assets purchased / sold

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

A. Details of Non performing financial assets purchased:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
(a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

B. Details of Non performing financial assets Sold:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
No. of accounts sold	51	Nil
Aggregate outstanding	812.28	Nil
Aggregate consideration received	695.38	Nil

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

a) 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	2,948.39	4,442.93
(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).	6,943.21	8,606.20
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial real estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

b) Exposure to capital market

	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	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	977.23	74.83
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)	-	-
Total Exposure to Capital Market	977.23	74.83



56. Regulatory Disclosures

(viii) *Movements in non performing advances:*

The following table sets forth, for the periods indicated, the details of movement of gross Stage III loans, Net Stage III and ECL provision

	As at March 31, 2020	As at March 31, 2019
i) Net NPAs to net advances (%)	1.90%	2.68%
ii) Movement of NPAs (Gross)		
a) Opening balance	598.40	380.07
b) Additions during the year	546.62	417.31
c) Reductions during the year	(763.64)	(198.98)
d) Closing balance	381.38	598.40
iii) Movement of net NPA		
a) Opening balance	512.10	275.60
b) Additions during the year	439.90	354.08
c) Reductions during the year	(645.81)	(117.58)
d) Closing balance	306.19	512.10
iv) Movement of provisions for NPAs (excluding provision on Stage I & II loans)		
a) Opening balance	86.30	104.47
b) Additions during the year	106.73	63.23
c) Reductions during the year	(117.83)	(81.40)
d) Closing balance	75.20	86.30

(ix) *Details of single borrower limit and group borrower limit exceeded by the Company:*

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

(x) *Unsecured Advances*

The company has not taken any charges over the rights, licences, authorisation etc against unsecured loan given to borrowers.

(xi) *Fraud Reporting*

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

(xii) *Remuneration of Directors*

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

Details of transaction with non executives directors

Name of Directors	Nature of transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Mitul Shah	Sitting fees	0.28	0.26
Mr. Sanjay Shah	Sitting fees	0.26	0.30

(xiii) *Net profit or loss for the period , prior period items and changes in accounting policy*

There are no prior items (previous year Rs. Nil) and there are no changes in accounting policies during the year, except as disclose note 46.1.

(xiv) *Details of 'provisions and contingencies'*

Break up of 'provisions and contingencies' shown under the head expenditure in statement of profit and loss.	For the year ended March 31, 2020	For the year ended March 31, 2019
i) Provisions for depreciation on investment	-	-
ii) Provision towards NPA (Stage III loans)	(11.11)	(18.17)
iii) Provision made towards income tax	44.78	186.52
iv) Provision for Standard loans (Stage I & II loans)	41.63	(11.14)

(xv) *Draw down from Reserves*

No Draw down from statutory Reserve during F.Y. 2019-20 (Previous Year Rs. Nil)



56. Regulatory Disclosures

(xvi) Concentration of deposits, advances, exposures and NPAs

A) Concentration of Deposits (for deposit taking NBFCs)		
	As at March 31, 2020	As at March 31, 2019
Total Deposits to twenty largest depositors	NA	NA
% of Deposits of twenty largest depositors to total Deposit taking NBFC	NA	NA
B) Concentration of advances		
	As at March 31, 2020	As at March 31, 2019
Total advances to twenty largest borrowers	8,201.71	2,434.42
% of advances to twenty largest borrowers to total advances	50.83%	12.84%
B) Concentration of exposures (includes Off balance sheet exposure)		
Total exposures to twenty largest borrowers / customers	8,214.13	2,568.56
% of exposures to twenty largest borrowers / customers to total Exposure	50.53%	13.38%
C) Concentration of NPAs		
Total exposures to top four NPAs	281.03	127.10
D) Sector-wise NPAs		
	% of NPAs to total advances in that sector	
	As at March 31, 2020	As at March 31, 2019
1 Agriculture & allied activities	0.00%	2.22%
2 MSME	1.19%	0.00%
3 Corporate borrowers	0.40%	3.85%
4 Services	0.82%	2.47%
5 Unsecured personal loans	0.00%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	19.38%	3.03%

(xvii) Customer complaints

	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) No. of complaints pending at the beginning of the year	-	13
(b) No. of complaints received during the year	51	157
(c) No. of complaints redressed during the year	51	157
(d) No. of complaints pending at the end of the year	-	-

(xviii) Details of ratings assigned by credit rating agencies

As at March 31, 2020

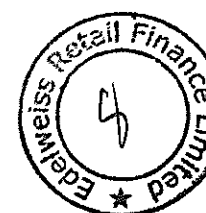
(a) Instrument category	CRISIL	ICRA	CARE	Brickworks	Brickworks	Acuite
i) Long term instruments	LT-NCD, LT - Sub Debt and BLR	LT-NCD, LT - Sub Debt and BLR	LT-NCD and LT - Sub Debt	LT-NCD	Perpetual Debt	Perpetual Debt
Rating	CRISIL AA- /Stable	ICRA AA- / Negative	CARE AA- / Stable	BWR AA/ Negative and BWR AA- / Negative	BWR AA/ Negative and BWR AA- / Negative	ACUITE AA- /Negative
Amount	18,000.00	41,500.00	12,250.00	4,500.00	1,000.00	1,000.00
ii) Short term instruments	CPs-ST	CPs-ST and ST-NCD	CPs-ST			
Rating	CRISIL A1+	[ICRA] A1+	CARE A1+	NA	NA	NA
Amount	5,000.00	1,000.00	5,000.00	NA	NA	NA

(b) During there were the following changes done by various Rating Agencies :

- ICRA Ratings revised the outlook on Long Term Debt ratings from Stable to Negative in April'2019 and downgraded the Long term ratings from ICRA AA to ICRA AA- while keeping the outlook unchanged in June 2019.
- CARE Ratings downgraded the Long term Debt ratings from CARE AA to CARE AA- and revised the outlook from Stable and Negative in July'2019.
- Brickworks Ratings revised the outlook on Long Term Debt ratings from Stable to Negative in July'2019 and downgraded the Long term ratings from BWR AA+ to BWR AA while keeping the outlook unchanged in September 2019.
- Crisil Ratings revised the outlook on Long Term Debt ratings from Stable to Negative in July'2019 and downgraded the Long term ratings from CRISIL AA to CRISIL AA- changing the outlook from Negative to Stable in October'2019.
- Acuite Ratings revised the outlook on Long Term Unsecured Subordinate Perpetual Debt rating from stable to Negative in August'2019 and downgraded the ratings from ACUITE AA to ACUITE AA- while keeping the outlook unchanged in February'2020.

As at March 31, 2019

Instrument category	CRISIL	ICRA	CARE	Brickworks	Brickworks	Acuite
i) Long term instruments	LT-NCD, LT - Sub Debt and BLR	LT-NCD, LT - Sub Debt and BLR	LT-NCD and LT - Sub Debt	LT-NCD	Perpetual Debt	Perpetual Debt
Rating	CRISIL AA/Stable	[ICRA] AA	CARE AA	BWR AA+ and BWR AA	BWR AA	Acuite AA+ Stable
Amount	18,000.00	41,500.00	12,250.00	4,500.00	1,000.00	1,000.00
ii) Short term instruments	CPs-ST	CPs-ST and ST-NCD	CPs-ST			
Rating	CRISIL A+	[ICRA] A1+	CARE A1+	NA	NA	NA
Amount	5,000.00	6,000.00	5,000.00	NA	NA	NA



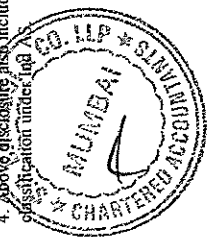
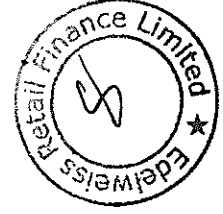
56. Regulatory Disclosures

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

Sl No	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring				Others				Total			
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Total
1	Restructured accounts as on 1st April, 2019 (Opening figures) (refer note 1)	-	-	-	-	-	-	-	-	-	-	11.00	3.00	-	-	14.00	14.00
		-	-	-	-	-	-	-	-	-	-	58.07	3.91	-	-	61.98	61.98
		-	-	-	-	-	-	-	-	-	-	16.54	3.17	-	-	19.71	19.71
2	Fresh restructuring during the year (refer note 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category	-	-	-	-	-	-	-	-	-	-	1.00	1.00	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	1.28	1.28	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	0.94	0.94	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	-	-	-	-	-	-	-	-	-	-	1.00	3.00	-	-	4.00	4.00
		-	-	-	-	-	-	-	-	-	-	3.22	30.37	-	-	33.59	33.59
		-	-	-	-	-	-	-	-	-	-	3.27	8.23	-	-	4.96	4.96
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY 19-20	-	-	-	-	-	-	-	-	-	-	1.00	8.00	-	-	9.00	9.00
		-	-	-	-	-	-	-	-	-	-	2.97	11.49	-	-	14.46	14.46
		-	-	-	-	-	-	-	-	-	-	1.62	4.98	-	-	6.61	6.61
7	Restructured accounts as on 31st Mar. 2020 (Closing figures)	-	-	-	-	-	-	-	-	-	-	2.00	28.00	-	-	30.00	30.00
		-	-	-	-	-	-	-	-	-	-	1.88	85.73	-	-	87.61	87.61
		-	-	-	-	-	-	-	-	-	-	0.02	34.65	-	-	34.67	34.67

Notes:

1. Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)
2. Amount outstanding of fresh restructuring during the year is the amount outstanding as on the date of restructuring.
3. The above table excludes the recoveries made on restructured accounts.
4. Above disclosure also includes loan accounts which are restructured under RBI circular on 'Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances' dated January 1, 2019 which are reflecting under 'Sub-Standard (i.e. Stage III)' category as per classification under RBI.



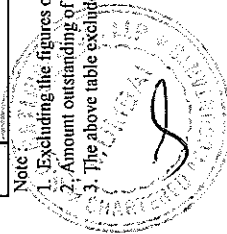
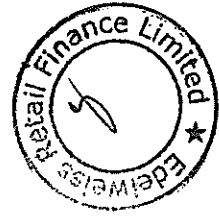
56. Regulatory Disclosures

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

Sl No	Type of Restructuring Asset Classification	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Total
1	Restructured accounts as on 1st April, 2018 (Opening figures) (refer note 1)	-	-	-	-	-	-	-	-	-	-	-	23.00	-	-	23.00	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	34.51	-	-	34.51	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	34.51	-	-	34.51	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	25.73	-	-	25.73	-
2	Fresh restructuring during the year (refer note 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	8.00	-	-	8.00	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	54.38	-	-	54.38	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	15.33	-	-	15.33	-
3	Upgradations of restructured accounts to Standard category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	1.40	-	-	1.40	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.21	-	-	1.21	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY 18-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2019 (Closing figures)	-	-	-	-	-	-	-	-	-	-	-	11.00	3.00	-	14.00	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	58.07	3.91	-	61.98	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	16.54	3.17	-	19.71	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note

1. Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)
2. Amount outstanding of fresh restructuring during the year is the amount outstanding as on the date of restructuring.
3. The above table excludes the recoveries made on restructured accounts.



56. Regulatory Disclosures

- (xx) *Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances*
(as required by RBI guidelines under reference RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
No of accounts restructured	29	18
Amount (Indian rupees in millions)	73.68	64.94

- (xxi) *Registration obtained from other financial sector regulators - Nil* (Previous Year - Nil)

- (xxii) *Detail of financing parents company products -Nil* (Previous Year - Nil)

- (xxiii) *Disclosure of penalties imposed by RBI and other regulators - Nil* (Previous Year - Nil)

- (xxiv) *Ownership Overseas Assets (for those with joint ventures and subsidiaries abroad)*
There are no overseas assets owned by the company (Previous year Nil)

- (xxv) *Note to the balance sheet of a non-deposit taking non-banking financial Company*

Note to the balance sheet of a non-deposit taking non-banking financial Company as required in terms of paragraph 18 of Master Direction- Non-Banking Financial Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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 not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	4,939.06	4,909.92	-	-
(ii) Unsecured	2,089.06	2,060.80	-	-
b) Deferred credits	-	-	-	-
c) Term loans	7,067.85	11,240.05	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Loan from related parties	0.00	1.31	-	-
(ii) Bank overdraft	431.27	1,220.14	-	-
(* Please see note 1 below)				
Assets side:				
2) Break up of loans and advances including bills receivables				
(other than those included in (3) below)				
a) Secured	10,742.13	12,945.93	-	-
b) Unsecured	5,394.67	6,132.76	-	-
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities				
a) Lease assets including lease rentals under sundry debtors:				
(i) Financial lease	-	-	-	-
(ii) Operating lease	-	-	-	-
b) Stock on hire including hire charges under sundry debtors				
(i) Assets on hire	-	-	-	-
(ii) Repossessed assets	-	-	-	-
c) Other loans counting towards asset financing Company activities				
(i) Loans where assets have been repossessed	-	-	-	-
(ii) Other loans	-	-	-	-



56. Regulatory Disclosures

Note to the balance sheet of a non-deposit taking non-banking financial Company as required in terms of paragraph 18 of Master Direction- Non-Banking Financial Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

	As at March 31, 2020		As at March 31, 2019			
4) Break up of investments						
Current investments:						
a) Quoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others	-	-	-	-		
b) Unquoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others (pass through certificates)	-	-	-	-		
Long-term investments (net of provision)						
a) Quoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others	-	-	-	-		
b) Unquoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others : Pass through certificates	-	-	-	-		
Security receipts	471.23	-	-	-		
5) Borrower group-wise classification of assets financed as in (2) and (3) above						
Particulars	Secured		Amount net of provisions Unsecured		Total	
	As at March 31, 2020	As at March 31, 2019	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	-	-	2,163.11	-	2,163.11	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	10,393.54	12,775.51	3,087.34	5,840.91	13,480.88	18,616.42
TOTAL	10,393.54	12,775.51	5,250.45	5,840.91	15,643.99	18,616.42
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	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2) Other than related parties	471.23	-	-	-	471.23	-
TOTAL	471.23	-	-	-	471.23	-

7) Other information

Particulars	As at March 31, 2020	As at March 31, 2019
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	381.38	598.40
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	306.19	512.10
c) Assets acquired in satisfaction of debt	-	-

Note :

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



56. Regulatory Disclosures

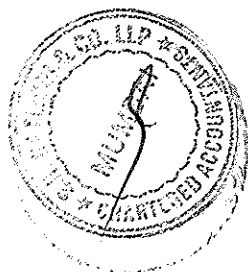
(xxvi) Disclosure on perpetual debt

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount of funds raised through Perpetual debt instrument during the year	-	-

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount outstanding as at year end.	450.00	450.00
Percentage of the amount of Perpetual debt of the amount of its Tier I Capital	15.48%	9.26%
Unpaid interest on Perpetual debt	-	-

(xxvii) There are no amount due and outstanding to be credited to investor education & protection Fund as at March 31, 2020 and at at March 31, 2019

(xxviii) Off balane sheet SPV sponsored -NIL (Previous year NIL)

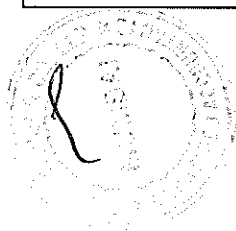


56. Regulatory Disclosures

(xxix) Prudential Floor for ECL

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

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	12,442.48	88.65	12,353.83	49.65	39.00
	Stage 2	3,312.94	328.82	2,984.12	28.86	299.96
Subtotal						
Non-Performing Assets (NPA)						
Substandard	Stage 3	315.50	66.76	248.74	15.64	51.12
Doubtful - up to 1 year	Stage 3	28.32	3.78	24.54	5.46	(1.68)
1 to 3 years	Stage 3	37.56	4.66	32.90	8.71	(4.05)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		65.88	8.44	57.44	14.17	(5.73)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		381.38	75.20	306.18	29.81	45.39
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	155.16	0.13	155.03	-	0.13
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		155.16	0.13	155.03	-	0.13
Total	Stage 1	12,597.64	88.78	12,508.86	49.65	39.13
	Stage 2	3,312.94	328.82	2,984.12	28.86	299.96
	Stage 3	381.38	75.20	306.18	29.81	45.39
	Total	16,291.96	492.80	15,799.16	108.32	384.48



(xxx) Disclosure on liquidity risk

As required in terms of paragraph 3 of RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

a) Funding Concentration based on significant counterparty (both deposits and borrowings)	As at March 31, 2020
Number of significant counterparties*	20
Amount of borrowings from significant counterparties	11,097.62
% of Total deposits	NA
% of Total liabilities**	72.72%

* "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'

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

b) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c) Top 10 Borrowings	As at March 31, 2020
Amount of Borrowings from top 10 lenders	8,732.17
% of Total Borrowings	60.11%

d) Funding Concentration based on significant instrument/product*	As at March 31, 2020	
	Amount	% of Total Liabilities**
Market Borrowings		
Non Convertible Debentures	4,939.06	32.36%
Perpetual and Sub-ordinated Debentures	2,089.06	13.69%
Other Borrowings		
Term Loans	7,067.85	46.31%
Cash Credit Lines	281.27	1.84%

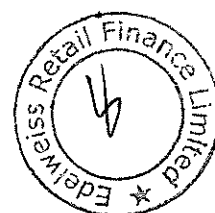
* "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's total liabilities.

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

e) Stock Ratios	As at March 31, 2020
Commercial papers as a % of total public funds*	0.00%
Commercial papers as a % of total liabilities	0.00%
Commercial papers as a % of total assets	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
Other short-term liabilities**, if any as a % of total public funds	2.97%
Other short-term liabilities**, if any as a % of total liabilities	2.83%
Other short-term liabilities**, if any as a % of total assets	2.17%

* "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..



f) 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.

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.

the Company has ensured maintenance of a Liquidity Cushion in the form of Mutual Funds and liquid fixed deposits with banks, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A comfortable liquidity cushion is maintained of the borrowings. 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.

(xxxi) Details of moratorium / deferment extended to eligible customers under COVID19 Regulatory package

- (a) 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. 1,908.91 million.
- (b) Asset classification has been extended for an aggregate amount of Rs. 216.71 million and expected credit loss allowance of Rs. 39.25 million is maintained on such loan accounts.

57. Other Disclosures

(i) Details of dues to micro enterprise and small enterprise

Trade payables includes Rs. Nil (Previous year: Rs. Nil) payable to "suppliers" registered under the micro, small and medium enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year and previous 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.

(ii) Disclosure under regulation 53(f) of SEBI (Listing obligations and disclosure Requirements) Regulations, 2015

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to advances in the nature of loans to subsidiaries	2,217.14	-
Loans to advances in the nature of loans to associates	-	-
Loans to advances in the nature of loans to firms/companies in which directors are interested	-	-
Investment by the lonee in the share of parents company and subsidiary company, when the company has made a loans & advances in the nature of loans	-	-



57. Other Disclosures

- (iii) Disclosure Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the company	EDELWEISS RETAIL FINANCE LIMITED
2	CIN	U67120MH1997PLC285490
3	Outstanding borrowing of company as on March 31, 2020	14,527.24
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	As per Table 1 below
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE LIMITED

Table 1

Product	Credit Rating	Name of Rating Agency
Bank Borrowings	ICRA AA-/Negative	ICRA Limited
Bank Borrowings	CRISIL AA-/Stable	CRISIL
Commercial Papers	CARE A1+	CARE Limited
Commercial Papers	CRISIL A1+	CRISIL
Long Term Sub-Debt	CARE AA-/Stable	CARE Limited
Long Term Sub-Debt	CRISIL AA-/Stable	CRISIL
Long Term Sub-Debt	ICRA AA-/Negative	ICRA Limited
Long Term NCD	ICRA AA-/Negative	ICRA Limited
Long Term NCD	BWR AA-/Negative	Brickwork Ratings
Long Term NCD	CARE AA-/Stable	CARE Limited
Long Term NCD	CRISIL AA-/Stable	CRISIL
Perpetual – Debt	BWR AA-/Negative	Brickwork Ratings
Perpetual – Debt	ACUTE AA-/Negative	ACUTE Ratings
Short Term NCD	ICRA A1+	ICRA Limited

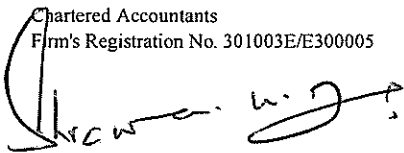
- (iv) Details of incremental borrowings during the year ended March 31, 2020

Particulars	Details
Incremental borrowing done in FY (a)	Nil
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	NA
Actual borrowings done through debt securities in FY (c)	NA
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	NA
Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

58. Figures for the previous year have been regrouped/ reclassified wherever necessary to conform to current period presentation.

As per our report of even date attached.

For S.R.Batliboi & Co.LLP
Chartered Accountants
Firm's Registration No. 301003E/E300005



per Shrawan Jalan
Partner
Membership No. 102102



M.D.Tata
Mehernosh Tata
Chief Executive Officer

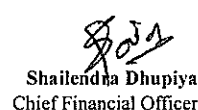
For and on behalf of the Board of Directors
Edelweiss Retail Finance Limited



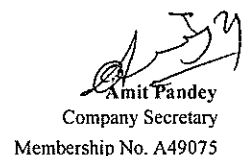
Shilpa Gattani
Director
DIN: 05124763



Sunil Phatarphekar
Director
DIN: 00005164



Shailendra Dhupiya
Chief Financial Officer



Amit Pandey
Company Secretary
Membership No. A49075