

Edelweiss reports PAT of INR 637 Cr for Q4FY21

Declared Final Dividend of Rs 0.55 per share. Total Dividend for FY21 stands at Rs.1.45 per share

Well-Capitalised Businesses ♦ Growing Customer Assets ♦ Strong Balance Sheet & Liquidity

Q4FY21 Financial Highlights:

- Revenue (consolidated) - INR 4,481 Cr
- Consolidated PAT - INR 637 Cr; Ex-Insurance PAT – INR 702 Cr
- Fee Income above pre-Covid levels - INR 543 Cr

FY21 Highlights:

- **Board of Directors have approved a Final Dividend of Rs. 0.55 per share. Total Dividend for the year stands at Rs.1.45 per share.**
- **Diversified with well-Capitalised Businesses**
 - **Diversified across** Retail Credit, Asset Management, Asset Reconstruction, Insurance and Wealth Management, our businesses are structured under **ten key entities**.
 - The businesses are **well-capitalised** with robust operating platforms and are **poised for growth**
- **Growing Customer Franchisee**
 - Customer Assets up **35% yoy to INR 2,80,800 Cr** – demonstrating the continued trust reposed by customers.
- **Value unlocking in Edelweiss Wealth Management**
 - Successfully closed PAG Partnership at a valuation of INR 4,400 Cr; Edelweiss will hold 38.5% stake in EWM with an option to increase it to ~44%
 - Significant **distribution of value**, through the **demerger and subsequent listing by Sept-Dec'22**
- **Strengthening Balance Sheet and Liquidity**
 - **Strong Net worth at INR 8,542 Cr, Borrowings declined by 41% over FY19 levels**
 - **D/E reduced to 2.5x** in FY21 from 4.4x in FY19
- **Scaled down wholesale credit assets in ECL Finance**
 - Wholesale Book **down 35%** from FY19 levels. Expected to **reduce by ~ 50%** by March'23
 - Successful workouts of INR 1,500 Cr in last 12 months; Improving traction on workouts expected in FY22 and FY23 as Covid impact subsides

Covid 19 – Our Response to the Pandemic - Prioritized Employee & Community well-being

- **Safety for all employees and families**
 - Organized Onsite vaccination drives and reimbursement for all employees and their families

- Ensured mental and emotional well-being through 24x7 counselling support, outreach and wellness initiatives
- **Stood strong with affected employees**
 - Covid helpline, tie-ups for tests, plasma, oxygen concentrators, hospital admissions, among others. Provided Financial assistance for loss of life - Life insurance payments up to 3x of CTC and ex-gratia.
- **Support for the community**
 - Contributed INR 200 lakh to PM Cares Fund and INR 50 lakh to CM Relief Fund in Maharashtra to fight the pandemic. EdelGive Foundation raised over INR 100 Cr for Covid related initiatives in FY21.

All businesses continued to be resilient throughout the pandemic

- **Credit**
 - Focus on **asset-light retail credit** model, selective disbursements in SME & Housing Finance
 - Securitized ~INR 900 Cr in FY21 in our Housing Finance book
 - Total Retail credit **collection efficiency** improved to 94% in NBFC and 99% in HFC in March'21
 - **Workouts on wholesale book** continue to be a priority.
- **Asset Management**
 - Mutual Fund :**
 - **AuM doubled** to make EAML one of the fastest growing AMCs in India
 - Saw **net inflows in equity assets of INR 3,600 Cr** in FY21 despite industry seeing outflows to the tune of INR 55,000 Cr
 - Successfully closed 2nd series of Bharat Bond ETF
 - Alternatives :**
 - Dominance in Alternatives continues with a robust annuity income
 - **Largest fund raise in a year - over INR 8,000 Cr**
 - Deployed INR 4,100 Cr in FY21 across fund strategies
- **Asset Reconstruction**
 - **Robust fee income, Strong recoveries of INR 5,400 Cr** in FY21 from 179 borrowers
 - Focus continues to be on **deleveraging and building retail capabilities**
- **Insurance:**
 - **Life Insurance** - Only Life insurance company that **grew every month** in FY21, with 25% Individual APE growth yoy
 - **General Insurance** - **Fastest growing** General Insurance player with **49% yoy growth** in GDPI in FY21 against industry growth of 5%, enabled by a digital business model
- **Wealth Management (EWM)**
 - **Growth of 36% in AuA** and **22% in clients yoy** and closed **63** capital market transactions

Speaking on the occasion, Mr. Rashesh Shah, Chairman and CEO, Edelweiss Financial Services Limited said:

“The year gone by has been unprecedented on various counts and the second Covid wave has made safeguarding lives and livelihoods even more critical. We continue to prioritize safety and wellbeing of our employees along with extending support to the vulnerable communities through our EdelGive Foundation.

Our businesses have been resilient in these testing times and the fee income this quarter is higher than pre-covid levels. Customer assets have grown 35% yoy demonstrating the continued trust of our customers. While the Alternatives, Asset Reconstruction and Wealth Management business have maintained their industry leadership, our Mutual Fund, Retail Credit are growing franchisees. The Life Insurance and digitally powered General Insurance business continued to grow and gain market share, while recoveries in ARC continue to be strong. All our businesses are well-capitalised, with operationally independent and robust platforms and are poised for growth.

As planned, our focus for FY21 has been on consolidation, fortification, and strengthening with three clear priorities. We concluded the stake sale in our Wealth Management business, at a valuation of INR 4,400 Cr - an endorsement of the quality of businesses we have built and the value we have created. We continued the transition to a capital light retail credit model with a focus on Housing and SME businesses. We have scaled down our wholesale lending book significantly over the last two years and we plan to further bring it down to half its size by FY23. We now have a stronger balance sheet with robust equity, lower debt and ample liquidity.

With the second wave of Covid 19 and the vaccination drive, FY22 comes with both uncertainty and hope. During the year, we will continue to focus on strengthening balance sheet and liquidity; Invest in our retail credit, asset management and Insurance businesses and progress on the EWM demerger, in preparation for listing by Q3FY23, thereby unlocking value for our shareholders. Robust equity, comfortable liquidity and agile operating platforms will give us a solid foundation as we look towards economic revival and growth in the years ahead.”

Business Highlights:

Edelweiss Group is diversified across 10 key entities

1. NBFC (ECL Finance Ltd. & Edelweiss Retail Finance Ltd.)

Business performance and updates

Particulars	Financials in INR Cr	
	Q4FY21 ECLF and ERFL	FY21 ECLF and ERFL
Net Worth	3,837	3,837
Capital Adequacy	27.5%	27.5%
AUM	10,526	10,526
Credit Assets	15,238	15,238
PAT	132	29
NIM %	0.2%	2.6%
Gross Stage 3 loans	780	780

- Going forward growth will be in MSME book
 - Asset light model - Focus on partnerships with Banks
 - Digitally enabled and data led organization
- Maintained conservative stance on disbursements
 - In MSME, disbursed ~350 Cr in FY21
- Robust collections with total retail collections of ~INR 2,050 Cr in FY21
- Workouts on-going in wholesale book for recoveries and resolution

2. Housing Finance (EHFL)

Business performance and updates

Particulars	Financials in INR Cr	
	Q4FY21	FY21
Net Worth	763	763
Capital Adequacy	26.5%	26.5%
AUM	4,385	4,385
Credit Assets	4,545	4,545
PAT	(9)	4
NIM %	3.7%	3.5%
Gross Stage 3 loans	128	128

- Focus on asset-light growth
 - Securitized book of ~INR 900 Cr in FY21
- Maintained conservative stance on disbursements
 - Disbursed ~INR 250 Cr in Q4FY21 and ~INR 450 Cr in FY21
- Maintained collection efficiency of 99% in Mar'21

3. Asset Management (Mutual Fund and Alternative Asset Management)

Mutual Fund: Business performance and updates

Particulars	Financials in INR Cr	
	Q4FY21	FY21
Net Worth	161	161
Net Revenues	39	120
PBT	1	5
PAT	1	5
AUM	~55,000	~55,000

- Crossed INR 10,000 Cr of equity assets
 - Net Q4FY21 equity inflows of ~INR 2,000 Cr against industry outflows of ~INR 4,500 Cr
- Steady annuity income flows from long term asset base; 80% of AUM has tenor of more than 3 years
- Successfully closed Bharat Bond Second Series

Alternative Asset Management: Business performance and updates

Particulars	Financials in INR Cr	
	Q4FY21	FY21
Net Worth	152	152
Net Revenues	44	164
PBT	1	14
PAT	1	14
AUM	~30,000	~30,000

- With total raise of ~INR 8,000+ Cr year to date, FY21 is the largest fund raise year for the Alternatives
 - Raised ~INR 6,600 Cr in ESOF III
 - Closed Infrastructure Yield fund at ~INR 3,300 Cr
- Continued track record of high-quality performance
- Steadily increasing deployment across funds

4. Asset Reconstruction (EARC)

Business performance and updates

Particulars	Financials in INR Cr	
	Q4FY21	FY21
Net Worth	2,222	2,222
Net Revenues	79	340
PBT	53	245
PAT (pre MI)	45	186
AUM	~40,800	~40,800

- Robust recoveries of ~INR 5,400 Cr in FY21 from 179 borrowers

- Comfortable liquidity position of ~INR 540 Cr as on March 31, 2021
- Fee income remains robust
- Continued to de-leverage
- Focus on building scale in Retail ARC

5. Life Insurance

Business updates FY21:

- Crossed INR 400 Cr APE milestone for the first time
- 25% YoY growth in Individual APE in FY21
- Only player in the industry to have registered growth every month in FY21
- Embedded Value as on March '21 at INR 1,256 Cr

6. General Insurance

Business updates FY21:

- 49% yoy Gross Direct Premium Income (GDPI) growth in FY21 against Industry growth of 5%
- Continuously expanding digital partnership base through addition of new-age tech players & OEMs
- First within the industry to rollout open API gateway for the ecosystem of business partners & developers enabling Plug & Play integration
- Adoption of video-based remote survey app (BOLT) for motors claims stands at 47% in Q4FY21

7. Insurance Broking (Edelweiss Gallagher Insurance Brokers Ltd.)

Business updates FY21:

- Insurance Broking partnered with Corporates and Insurance Companies to facilitate insurance products for the informal sector and frontline workers during the pandemic, placed premiums of ~INR 800 Cr in FY21

8. Wealth Management

Business performance and updates

Particulars	Financials in INR Cr	
	Q4FY21	FY21
Net Worth	1,563	1,563
Net Revenues	320	1,043
PBT	75	303
PAT	65	245
AUA	~1,55,000	~1,55,000

- Franchise continues to have dominant presence
- AUA grew 36% yoy; Clients grew 22% yoy
- 63 deals closed across ECM, DCM and M&A in FY21
- Maintained revenue yields within the range of 70-80 bps

EdelGive Foundation:

EdelGive Foundation, set up in 2008, is the philanthropic arm of the Edelweiss Group. Over the last 12 years of its existence, EdelGive has evolved into a grant-making organisation, with the mission to build and expand philanthropy in India by funding and supporting the growth of high-caliber small to mid-sized NGOs. With the belief that an inclusive society is built on the foundation of educated children, empowered women, and resilient communities, EdelGive supports organisations working towards these goals, through targeted, community-driven, and high impact interventions. EdelGive has so far supported over **158 NGOs** and influenced over **INR 460 Cr** towards commitments to them.

About Edelweiss Financial Services

The Edelweiss Group is one of India's leading diversified financial services companies, providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss's products and services span multiple asset classes and consumer segments across domestic and global geographies. The group's research driven approach and proven history of innovation has enabled it to foster strong relationships across all client segments. Its businesses include Asset Management, NBFC, Housing Finance, Asset Reconstruction, Wealth Management, Life Insurance, General Insurance and Insurance Broking. Together with strong network of Sub-Brokers and Authorized Persons, Edelweiss group has presence across all major cities in India. Edelweiss Financial Services trades under the symbols NSE: EDELWEISS, BSE: 532922, Reuters: EDELNS and EDELBO and Bloomberg: EDEL IS and EDEL IB. Edelweiss stock is actively covered by sell side research analysts of Morgan Stanley, Citi Research, Maybank Kim Eng Securities, Haitong International, Credit Suisse Securities and Emkay Global Financial Services. To learn more about the Edelweiss Group, please visit www.edelweissfin.com. Edelweiss Financial Services Limited **Corporate Identity Number**: L99999MH1995PLC094641

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Edelweiss Financial Services Limited

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Consolidated Financial Results for the quarter and year ended 31 March 2021

(₹ in Crores)

Particulars	Quarter Ended			Year Ended	
	31 March 2021 (Audited) (Refer Note 19)	31 December 2020 (Reviewed)	31 March 2020 (Audited) (Refer Note 19)	31 March 2021 (Audited)	31 March 2020 (Audited)
1 Revenue from operations					
(a) Interest income	928.45	965.01	1,373.45	4,034.40	5,901.95
(b) Dividend income	9.16	49.73	104.64	69.57	162.18
(c) Fee and commission income	507.21	401.02	476.92	1,654.14	2,099.30
(d) Net gain / (loss) on fair value changes	1,090.32	426.96	(456.29)	2,220.90	194.96
(e) Premium from insurance business	511.73	323.77	414.67	1,324.64	1,056.78
(f) Other operating income	11.01	12.05	22.01	53.71	98.15
Total revenue from operations	3,057.88	2,178.54	1,935.40	9,357.36	9,513.32
2 Other income (Refer Note 17)	1,423.07	12.80	30.47	1,491.49	89.31
3 Total Income (1+2)	4,480.95	2,191.34	1,965.87	10,848.85	9,602.63
4 Expenses					
(a) Finance costs	957.99	924.99	1,155.12	3,834.03	4,793.04
(b) Impairment on financial assets	932.88	105.96	2,039.05	1,260.92	2,690.26
(c) Change in valuation of credit impaired loans (Refer Note 7)	332.16	137.92	510.35	812.61	871.24
(d) Employee benefits expense	696.84	324.23	366.90	1,615.91	1,407.30
(e) Depreciation and amortisation expense	90.42	55.39	85.71	259.88	232.23
(f) Change in insurance policy liability - actuarial	354.64	396.03	132.34	1,302.33	642.10
(g) Policy benefits paid	105.55	78.50	62.64	276.30	158.92
(h) Other expenses	455.21	303.49	432.71	1,340.62	1,264.19
Total expenses	3,925.69	2,326.51	4,784.82	10,702.60	12,059.28
5 Profit / (loss) before share in profit / (loss) of associate and tax (3-4)	555.26	(135.17)	(2,818.95)	146.25	(2,456.65)
6 Share in profit / (loss) of associate	(0.64)	-	-	(0.64)	-
7 Profit / (loss) before tax (5+6)	554.62	(135.17)	(2,818.95)	145.61	(2,456.65)
8 Tax expense					
Current tax	(24.85)	(45.85)	(44.84)	23.99	297.08
Deferred tax and MAT	(57.23)	(26.32)	(492.56)	(132.29)	(709.96)
9 Net profit / (loss) for the period (7-8)	636.70	(63.00)	(2,281.55)	253.91	(2,043.77)
10 Other comprehensive income/(loss)	(50.10)	51.08	485.04	(1.80)	472.64
11 Total comprehensive income / (loss) (9+10)	586.60	(11.92)	(1,796.51)	252.11	(1,571.13)
12 Net profit / (loss) for the period attributable to:					
Owners of the company	628.63	(69.72)	(2,245.14)	265.33	(2,045.24)
Non controlling interests	8.07	6.72	(36.41)	(11.42)	1.47
13 Other comprehensive income / (loss) for the period attributable to:					
Owners of the company	(26.99)	32.10	458.14	1.19	424.15
Non controlling interests	(23.11)	18.98	26.90	(2.99)	48.49
14 Total comprehensive income / (loss) for the period attributable to:					
Owners of the company	601.64	(37.62)	(1,787.00)	266.52	(1,621.09)
Non controlling interests	(15.04)	25.70	(9.51)	(14.41)	49.96
15 Earnings Per Share (₹) (Face Value of ₹ 1/- each)					
- Basic (Refer Note 6)	7.06	(0.78)	(25.24)	2.98	(23.01)
- Diluted (Refer Note 6)	6.86	(0.78)	(25.24)	2.97	(23.01)

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Notes:

- The consolidated financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') and its subsidiaries and trusts (together referred as 'Group') and associate for the quarter and year ended 31 March 2021 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 June 2021.
- The consolidated financial results of EFSL for the quarter and year ended 31 March 2021 have been subjected to audit by the Statutory Auditors of the Company and the auditors have issued an unmodified audit report.
- The Company has opted to publish Extracts of the Audited Consolidated Financial Results, pursuant to option made available as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Standalone financial results are available on the Company's website viz. www.edelweissfin.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). Key standalone financial information is given below:

Particulars	Quarter Ended			Year Ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	(Audited) (Refer Note 19)	(Reviewed)	(Audited) (Refer Note 19)	(Audited)	(Audited)
Total income	1,706.61	63.72	67.23	1,721.88	245.55
Profit / (loss) before tax	809.42	(0.80)	(13.11)	693.92	79.56
Net profit / (loss) after tax for the period	837.48	(0.22)	(1.71)	716.22	82.59
Other comprehensive income / (loss)	0.16	0.81	(0.11)	0.95	(0.05)
Total comprehensive income / (loss) after tax	837.64	0.59	(1.82)	717.17	82.54

- The attribution of consolidated profit / (loss) before tax between owners of the company and non controlling interests is as per below table:

Particulars	Quarter Ended			Year Ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	(Audited) (Refer Note 19)	(Reviewed)	(Audited) (Refer Note 19)	(Audited)	(Audited)
Profit / (loss) before tax attributable to:					
Owners of the company	543.28	(150.31)	(2,737.90)	132.22	(2,478.78)
Non controlling interests	11.98	15.14	(81.05)	14.03	22.13
Profit / (loss) before tax	555.26	(135.17)	(2,818.95)	146.25	(2,456.65)

- During the quarter ended 31 March 2021, the Company has issued 8,03,435 equity shares of face value of ₹ 1 each to the employees of the company and its subsidiaries on exercise of employee stock options.
- Earnings per share for the quarters ended 31 March 2021, 31 December 2020 and 31 March 2020 are not annualised.
- Change in valuation of credit impaired loans represents valuation movement of loans originated by consolidated ARC trusts.
- The Board of Directors at their meeting held on 11 June 2021, have recommended a final dividend of ₹ 0.55 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.
- Two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.
- 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 activities across the world. The Indian Government too has imposed lockdowns starting from 24 March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to 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, including the current "second wave" on Group's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID-19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. Further, the Group 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 financial support from banks and other fundraising opportunities in determining the Group liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Group 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 continue to evolve, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor material changes in markets and future economic conditions.
- The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.
- During earlier years and for the year ended 31 March 2021, four subsidiaries of the Group had sold certain financial assets amounting to ₹ 6,156.89 crores (net of provisions) and ₹ 1071.15 crores (net of provisions) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 4,985.84 crores and ₹ 880.11 crores respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statements. Edelweiss Financial Services Limited (EFSL), the holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL) a subsidiary, had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial statements. Based on a review performed by management of these subsidiaries and EFSL, with effect from 01 January 2021, has directly undertaken substantially all risks and rewards and consequently ERCSL is relieved of its obligations. Further, pursuant to such review, with effect from 01 January 2021, certain terms and conditions of risk and reward agreements have been amended. The Board of Directors of subsidiaries, ERCSL and EFSL in their respective meetings held on 04 June 2021, 10 June 2021 and 11 June 2021 have approved such changes to risk and reward agreements. As the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial statements and the consequent expected credit loss are recorded in the consolidated financial statements. During the quarter ended 31 March 2021, the Group re-assessed probability of default, loss given default in respect of these financial assets and due to various factors viz. operational challenges for exposures to certain sectors, increase in credit and market risks for certain counter parties relative to such risks at initial recognition, continued impact of COVID-19 factors. Such re-assessments resulted in recognition of higher amount of loan loss provisioning for the quarter ended 31 March 2021. Accordingly, the Group has recorded for the quarter and year ended 31 March 2021 an amount of ₹ 505.15 crores towards expected credit loss on these financial assets.

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- 13 Pursuant to amendments in risk and reward agreement between the subsidiaries, ERCSL and EFSL (as mentioned in note 12 above), with effect from 01 January 2021, fees payable on security receipts (ARC Fee) has been agreed to be borne by EFSL, as the risks and rewards are undertaken by EFSL. Accordingly, an amount of ₹ 48.93 crores towards such expenses has been recorded by the EFSL.
- 14 Two NBFCs in the Group had initiated sale of certain financial assets before 31 March 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after 31 March 2021, amounted to ₹ 343.96 crores to AIF trusts. 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. Accordingly, management assessed that such loans sold by these subsidiaries after 31 March 2021 had an increased risk but were not credit impaired. As at 31 March 2021, there are no impact on the financial statements of these subsidiaries, as they have not incurred any loss on sale of these financial assets.
- 15 Three NBFCs in the Group had initiated sale of certain credit impaired financial assets before 31 March 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after 31 March 2021, amounted to ₹ 686.24 crores to asset reconstruction companies trusts (ARC Trust). 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. Accordingly, on account of subsequent sale to and recovery from ARC Trusts of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to ₹ 522.17 crores. As at 31 March 2021, there are no impact on the financial statements of the Group other than expected credit loss recorded in the Profit and Loss Statement for the quarter and year ended 31 March 2021 amounting to ₹ 17.06 crores.
- 16 Edelweiss Custodial Services Limited ("ECdSL"), a group company of Edelweiss Financial Services Company ("EFSL") challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which ECdSL was a clearing member, is still under process, the said investigative agency contended that it had no objection to setting aside the lien order upon ECdSL providing an undertaking to keep sufficient assets unencumbered. ECdSL has since provided undertaking to keep sufficient assets amounting to ₹ 460.32 crores belonging to the Group and associate unencumbered and the said lien order has been set aside. The matter has been listed for further hearing.
- The MCSGF Committee of NSE Clearing Limited ("NCL") vide its order dated 20 October 2020 has directed ECdSL to adhere to instructions of National Stock Exchange ("NSE") / NCL, to appropriately reinstate the securities wherever trading member's clients had credit balance, but the securities got liquidated. ECdSL filed an appeal against the impugned order with Securities Appellate Tribunal ("SAT"). SAT vide its order dated 05 November 2020 has directed ECdSL to give an undertaking to NCL that it will deposit ₹ 212 crores or other amount as directed by the SAT after disposal of Appeal. ECdSL has since provided the declaration to NCL. The matter has been listed for further hearing.
- Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of the trading member and/or his associate. ECdSL has been made party to the same. All the Writ Petitions have been tagged together and common orders have been passed in all the Writ Petitions. The next date of hearing is yet to be assigned by the Hon'ble Court.
- ECdSL believes that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial results for year ended 31 March 2021.
- 17 During the quarter ended 31 March 2021, EFSL sold its controlling stake in the wealth management business (Edelweiss Securities Limited) to Edelweiss Global Wealth Management Limited, in accordance with the transaction consummated with PAGAC ECSTACY PTE. LTD (PAG), a private investment firms. Since the Company has sold controlling interest over the wealth management business, it has accounted for the sale as loss of control with effect from 26 March 2021 under the requirements of Ind AS 110 – 'Consolidated Financial Statements'. Accordingly, included in other income is an amount of ₹ 1,406.35 crores for the quarter and year ended 31 March 2021 towards realized gain representing difference between consideration received and net assets derecognized pertaining to the wealth management business (including related net goodwill) and non controlling interests in other investments that were sold. Further, EFSL's retained interest in the wealth management business meets the definition of an associate and has been recorded at fair value at 26 March 2021 under net fair value changes pursuant to paragraph 25 under Ind AS 110 – 'Consolidation Financial Statements'.
- 18 Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the quarter ended 31 March 2021, Parties have agreed and concluded that loss event for two of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 140.01 crores incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the quarter and year ended 31 March 2021. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence as at 31 March 2021 there is no obligation EFSL has as at 31 March 2021.
- 19 The figures for quarter ended 31 March 2021 and for the quarter ended 31 March 2020, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended 31 December 2020 and nine months ended 31 December 2019 respectively. The figures up to the end of the nine months period ended 31 December 2020 and nine months period ended 31 December 2019 were subjected to a limited review by the Statutory Auditors of the Company.

Edelweiss Financial Services Limited

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20 Consolidated Segment Results for the quarter and year ended 31 March 2021.

(₹ in Crores)

Particulars	Quarter Ended			Year Ended	
	31 March 2021 (Audited) (Refer Note 19)	31 December 2020 (Reviewed)	31 March 2020 (Audited) (Refer Note 19)	31 March 2021 (Audited)	31 March 2020 (Audited)
1 Segment revenue [Total income]					
Agency	385.61	347.98	285.50	1,336.59	1,126.85
Capital based	2,784.22	490.20	792.10	4,804.83	4,465.20
Insurance business	620.42	607.82	317.11	2,070.95	1,246.25
Asset reconstruction business	546.31	370.70	356.09	1,706.37	1,820.71
Treasury	126.68	367.40	195.21	880.79	883.97
Unallocated	17.07	7.24	19.86	48.68	59.65
Total income	4,480.31	2,191.34	1,965.87	10,848.21	9,602.63
2 Segment results [Profit / (loss) before tax]					
Agency	13.05	62.46	33.15	172.15	256.00
Capital based	548.52	(398.73)	(2,607.68)	(349.01)	(2,790.10)
Insurance business	(65.07)	(64.74)	(125.59)	(297.77)	(367.01)
Asset reconstruction business	49.60	68.22	(121.07)	225.01	334.93
Treasury	19.26	196.24	(0.69)	415.67	116.16
Unallocated	(10.74)	1.38	2.93	(20.44)	(6.63)
Total profit / (loss) before tax	554.62	(135.17)	(2,818.95)	145.61	(2,456.65)
3 Segment assets					
Agency	732.66	5,905.47	4,528.77	732.66	4,528.77
Capital based	29,008.20	30,709.74	33,943.49	29,008.20	33,943.49
Insurance business	5,648.93	5,317.90	4,395.37	5,648.93	4,395.37
Asset reconstruction business	6,066.50	6,105.31	6,594.91	6,066.50	6,594.91
Treasury	2,723.85	3,668.97	3,277.36	2,723.85	3,277.36
Unallocated	1,794.88	1,730.45	1,540.43	1,794.88	1,540.43
Total assets	45,975.02	53,437.84	54,280.33	45,975.02	54,280.33
4 Segment liabilities					
Agency	327.72	5,098.83	3,888.30	327.72	3,888.30
Capital based	26,880.20	30,466.04	32,818.16	26,880.20	32,818.16
Insurance business	4,993.79	4,580.53	3,521.26	4,993.79	3,521.26
Asset reconstruction business	3,951.67	4,032.63	4,650.54	3,951.67	4,650.54
Treasury	1,891.60	2,041.85	1,859.22	1,891.60	1,859.22
Unallocated	253.04	283.11	335.77	253.04	335.77
Total liabilities	38,298.02	46,502.99	47,073.25	38,298.02	47,073.25
5 Segment Capital employed [Segment assets - Segment liabilities]					
Agency	404.94	806.64	640.47	404.94	640.47
Capital based	2,128.00	243.70	1,125.33	2,128.00	1,125.33
Insurance business	655.14	737.37	874.11	655.14	874.11
Asset reconstruction business	2,114.83	2,072.68	1,944.37	2,114.83	1,944.37
Treasury	832.25	1,627.12	1,418.14	832.25	1,418.14
Unallocated	1,541.84	1,447.34	1,204.66	1,541.84	1,204.66
Total capital employed	7,677.00	6,934.85	7,207.08	7,677.00	7,207.08

The Company has made its consolidated segment reporting to meaningfully represent its business lines Agency, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency includes broking, advisory, product distribution and other fee based businesses; Capital Based represents lending business; Asset reconstruction business represents purchase and resolution of distress assets; Insurance business represents life insurance business and general insurance business. Treasury business represents income from trading and investment activities.

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21 Consolidated statement of assets and liabilities as at 31 March 2021

(₹ in Crores)

Particulars	As at	As at
	31 March 2021 (Audited)	31 March 2020 (Audited)
A ASSETS		
1 Financial assets		
(a) Cash and cash equivalents	3,898.52	4,942.52
(b) Other bank balances	861.69	3,667.09
(c) Derivative financial instruments	290.20	532.19
(d) Stock in trade	1,574.68	1,745.81
(e) Trade receivables	506.05	1,305.24
(f) Loans [^]	21,910.55	28,360.68
(g) Investments	11,476.30	8,266.60
(h) Other financial assets	1,262.81	830.23
Sub-total - Financial assets	41,780.80	49,650.36
2 Non-financial assets		
(a) Inventories	-	43.61
(b) Reinsurance assets	339.34	294.44
(c) Current tax assets (net)	721.81	583.98
(d) Deferred tax assets (net)	958.50	956.47
(e) Investment property	339.46	445.73
(f) Property, plant and equipment	1,228.13	1,501.26
(g) Capital work-in-progress	0.79	11.16
(h) Intangible assets under development	12.42	32.08
(i) Goodwill on consolidation	66.33	172.34
(j) Other intangible assets	146.77	225.58
(k) Other non-financial assets	380.67	363.32
Sub-total - Non-financial assets	4,194.22	4,629.97
TOTAL - ASSETS	45,975.02	54,280.33
B LIABILITIES AND EQUITY		
Liabilities		
1 Financial liabilities		
(a) Derivative financial instruments	184.55	381.25
(b) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	0.12	0.22
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	489.36	1,283.14
(c) Insurance claims payable	19.44	7.45
(d) Debt Securities	17,485.85	20,758.51
(e) Borrowings (other than debt securities)	9,431.82	13,321.06
(f) Deposits	9.60	216.90
(g) Subordinated Liabilities	1,508.77	2,360.88
(h) Other financial liabilities	4,145.72	4,925.05
Sub-total - Financial liabilities	33,275.23	43,254.46
2 Non-financial liabilities		
(a) Current tax liabilities (net)	25.30	90.63
(b) Provisions	111.85	35.11
(c) Provision for policyholders' liabilities	4,354.93	3,007.68
(d) Deferred tax liabilities (net)	215.76	264.37
(e) Other non-financial liabilities	314.95	421.00
Sub-total - Non-financial liabilities	5,022.79	3,818.79
3 Equity		
(a) Equity share capital	89.09	88.95
(b) Other equity	6,488.07	6,039.76
Equity attributable to owners of the parent	6,577.16	6,128.71
Non-controlling interest	1,099.84	1,078.37
Total Equity	7,677.00	7,207.08
TOTAL LIABILITIES AND EQUITY	45,975.02	54,280.33

[^] Loans include the credit exposure held by the consolidated ARC trusts.

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22 Consolidated statement of cash flows for the year ended 31 March 2021

(₹ in Crores)

Particulars	Year Ended	
	31 March 2021 (Audited)	31 March 2020 (Audited)
A Cash flow from operating activities		
Profit/(Loss) before tax	145.61	(2,456.65)
Adjustments for:		
Depreciation and amortisation expenses	259.88	232.23
Expense on employee stock option plans	33.37	39.08
Impairment of Goodwill	43.29	1.93
Impairment on financial instruments	321.26	1,404.72
Change in valuation of credit impaired loans	812.61	871.24
Interest on income tax refund	(18.41)	(30.47)
Dividend Income	(69.57)	(162.18)
(Profit) / loss on sale of property, plant and equipment ¹	22.16	(0.46)
(Profit) / loss on sale of investment property (net) ¹	(15.73)	-
Realised fair value (gain)/loss on financial instruments	(3,868.68)	(1,233.21)
Unrealised fair value (gain)/loss on financial instruments	264.29	1,038.25
Provision for policyholders liability	1,302.33	642.10
Finance costs	946.09	881.59
Operating cash flow before working capital changes	178.50	1,228.17
Adjustments for:		
Decrease / (increase) in trade receivables	799.19	1,466.16
Decrease / (increase) in stock-in-trade and inventory	204.73	2,293.38
Decrease / (increase) in other financial/non financial assets	(497.40)	(259.83)
Decrease / (increase) in derivative financial instruments	(1.67)	(149.80)
Decrease / (increase) in loans	4,941.47	7,755.75
Increase / (decrease) in trade payables	(933.89)	(691.92)
Increase / (decrease) in insurance claim payable	11.99	2.89
Increase / (decrease) in other financial liabilities	(944.59)	906.94
Increase / (decrease) in provisions	(0.51)	(2.04)
Increase / (decrease) in provision for policyholders' liabilities	44.92	(83.70)
Increase / (decrease) in other non-financial liabilities	(106.04)	94.41
Cash generated / (used) in operations	3,696.70	12,560.41
Income taxes paid (net of refund)	(238.66)	(461.99)
Net cash generated / (used) in operating activities - A	3,458.04	12,098.42
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(69.27)	(121.13)
Proceeds from sale of property, plant and equipment	205.39	8.71
(Purchase) / sale of investment property ¹	85.80	(165.33)
(Purchase) / sale of investments ¹	988.03	642.30
Dividend on investments	69.57	162.18
(Investment) / maturity of bank deposits	2,805.40	(327.48)
Net cash generated / (used) in investing activities - B	4,084.92	199.25
C Cash flow from financing activities		
Proceeds from issue of shares including premium and share application money	4.96	7.99
Investment by non controlling interest	43.29	39.05
Proceeds/(repayment) from debt securities ¹	(3,098.65)	(3,885.37)
Proceeds/(repayment) from borrowings (other than debt securities) ¹	(3,889.24)	(5,724.21)
Proceeds/(repayment) from deposits ¹	(207.30)	73.22
Proceeds/(repayment) from subordinated liabilities ¹	(852.11)	(6.78)
Dividend and dividend distribution tax paid	-	(36.89)
Lease payment	(13.62)	(78.53)
Effect of change in group interest	358.19	-
Finance cost paid	(932.48)	(859.45)
Net cash generated / (used) in financing activities - C	(8,586.96)	(10,470.97)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,044.00)	1,826.70
Cash and cash equivalents as at the beginning of the year	4,942.52	3,115.82
Cash and cash equivalents as at the end of the year	3,898.52	4,942.52

¹ Net figures have been reported on account of volume of transactions.

Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

23 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year presentation.

24 The consolidated financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

RASHESH
CHANDRAKA
NT SHAH
Rashesh Shah
Chairman

Mumbai, 11 June 2021.

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Edelweiss Financial Services Limited
Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Edelweiss Financial Services Limited ("Holding Company") and its subsidiaries and its trusts (the Holding Company and its subsidiaries and its trusts together referred to as "the Group") and its associates for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/ financial results/financial information of the subsidiaries / associates, the Statement:

- i. includes the results of the subsidiaries, trusts and associate (refer Annexure A);
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, its associates 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 10 to the statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans, financial assets, investment properties, investments, intangible assets (including goodwill) and in case of life insurance business, estimate of claims which are highly dependent on uncertain future developments.

Our opinion is not modified in respect of the above matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group including its associates in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and

its associates 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 Statement 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the audited financial results / statements and other financial information, in respect of:

- a) 28 subsidiaries, whose financial results / statements include total assets of Rs. 13,273.75 crores as at March 31, 2021, total revenues of Rs. 688.03 crores and Rs. 3,033.44 crores, total net loss after tax of Rs. 961.16 crores and Rs. 1,234.51 crores, total comprehensive loss of Rs. 1,005.57 crores and Rs. 1,247.99 crores, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 19.51 crores for the year ended March 31, 2021, as considered in the Statement which have been audited by their respective independent auditors.

7 subsidiaries, whose financial results / statements include total revenues of Rs. 138.71 crores and Rs. 476.25 crores, total net loss after tax of Rs. 11.02 crores and Rs. 9.48 crores and total comprehensive loss of Rs. 13.49 crores and Rs. 9.64 crores for the period from January 1, 2021 to March 26, 2021 and for the period from April 1, 2020 to March 26, 2021 respectively, as considered in the Statement which have been audited by their respective independent auditors.

6 companies forming part of the Group, whose statements include Group's share of net loss after tax of Rs. 0.35 crores and Group's share of total comprehensive income of Rs. 0.20 crore for the period from March 27, 2021 to March 31, 2021, as considered in the Statement, whose financial statements and other financial information have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

- b) The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 has been duly certified by the ETLIFE's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their conclusion in this regard.
- c) The actuarial valuation of liabilities of Edelweiss General Insurance Company Limited (EGICL) for Incurred But Not Reported and Incurred But Not Enough Reported claims of EGICL as at March 31, 2021 is the responsibility of EGICL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the EGICL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the EGICL's Appointed Actuary's certificate for expressing their conclusion in this regard.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.


The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SHRAWAN
BHAGWATI
JALAN



Digitally signed by SHRAWAN
BHAGWATI JALAN
DN: cn=SHRAWAN BHAGWATI
JALAN, c=IN, o=Personal,
email=shrawan.jalan@srb.in
Date: 2021.06.11 20:35:56 +05'30'

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 21102102AAAALE2032

Place of Signature: Mumbai

Date June 11, 2021

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Annexure A

SUBSIDIARIES:	SUBSIDIARIES:	TRUSTS:
ECL Finance Limited	Edelweiss Securities (IFSC) Limited (upto 26th March 2021)	EARC TRUST SC 348
Edelweiss Rural & Corporate Services Limited	Edelweiss Global Wealth Management Limited (upto 26th March 2021)	EARC TRUST SC 349
Edelweiss Asset Reconstruction Company Limited	Lichen Metals Private Limited (upto 30th March- 2021)	EARC TRUST SC 351
Edelweiss Housing Finance Limited	Edelweiss Capital (Singapore) Pte. Limited (upto 23rd Dec 2020)	EARC TRUST SC 352
Edelweiss Retail Finance Limited		EARC TRUST SC 357
Edel Finance Company Limited	Associate:	EARC TRUST SC 360
Edelweiss Asset Management Limited	Edelweiss Securities Limited (from 27th March 2021)	EARC TRUST SC 361
EdelGive Foundation		EARC TRUST SC 363
Edelweiss Tokio Life Insurance Company Limited	TRUSTS:	EARC TRUST SC 370
Edelweiss General Insurance Company Limited	ESAF - 1 Trust	EARC Trust SC 381
Allium Finance Private Limited	EARC SAF - 2 Trust	EARC Trust SC 383
Edelcap Securities Limited	EARC SAF - 3 Trust	EARC Trust SC 386
Edelweiss Securities and Investment Private Limited	EARC Trust - SC 6	EARC Trust SC 384
ECap Equities Limited	EARC Trust - SC 7	EARC Trust SC 391
Edel Investments Limited	EARC Trust - SC 9	EARC Trust SC 392
EC Commodity Limited	EARC Trust SC – 102	EARC Trust SC 395
Aster Commodities DMCC	EARC Trust SC – 109	EARC Trust SC 380
EC International Limited	EARC Trust SC - 112	EARC Trust SC 387
Edel Land Limited	EARC Trust - SC 130	EARC Trust SC 388
Edelweiss Comtrade Limited	EARC Trust SC 223	EARC Trust SC 393
Edelweiss Multi Strategy Fund Advisors LLP	EARC Trust SC 229	EARC Trust SC 372
Edelweiss Gallagher Insurance Brokers Limited	EARC Trust SC 238	EARC Trust SC 373
Edelweiss Private Equity Tech Fund	EARC Trust SC 245	EARC Trust SC 374
Edelweiss Value and Growth Fund	EARC Trust SC 251	EARC Trust SC 375
India Credit Investment Fund II	EARC Trust SC 262	EARC Trust SC 376
EAAA LLC	EARC Trust SC 263	EARC Trust SC 385
Edelweiss Alternative Asset Advisors Limited	EARC Trust SC 266	EARC Trust SC 394
Edelweiss Alternative Asset Advisors Pte. Limited	EARC Trust SC 293	EARC Trust SC 399
Edelweiss Investment Adviser Limited	EARC Trust SC 297	EARC Trust SC 401
Edelweiss Resolution Advisors LLP	EARC Trust SC 298	EARC Trust SC 402
EW Special Opportunities Advisors LLC	EARC Trust SC 306	EARC Trust SC 406
Edelweiss Trusteeship Company Limited	EARC Trust SC 308	EARC Trust SC 377
Edelweiss International (Singapore) Pte. Limited	EARC Trust SC 314	EARC Trust SC 378
Edelweiss Capital Services Limited	EARC Trust SC 318	EARC Trust SC 396
Edelweiss Securities Limited (upto 26th March 2021)	EARC Trust SC 321	EARC Trust SC 410
Edelweiss Broking Limited (upto 26th March 2021)	EARC Trust SC 325	EARC Trust SC 405
Edelweiss Finance & Investments Limited (upto 26th March 2021)	EARC Trust SC 329	EARC Trust SC 428
Edelweiss Custodial Services Limited (upto 26th March 2021)	EARC Trust SC 331	EARC Trust SC 429
ESL Securities Limited (upto 26th March 2021)	EARC TRUST SC 332	EARC Trust SC 412
Edelweiss Securities (Hong Kong) Private Limited (upto 26th March 2021)	EARC TRUST SC 334	EARC Trust SC 415
Edelweiss Financial Services (UK) Limited (upto 26th March 2021)	EARC TRUST SC 342	EARC Trust SC 430
Edelweiss Financial Services Inc. (upto 26th March 2021)	EARC TRUST SC 344	EARC Trust SC 427
Edelweiss Investment Advisors Private Limited (upto 26th March 2021)	EARC TRUST SC 347	

Edelweiss Financial Services Limited

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Standalone Financial Results for the quarter and year ended 31 March 2021

(₹ in Crores)

Particulars	Quarter ended			Year ended	
	31 March 2021 (Audited) (Refer note 13)	31 December 2020 (Reviewed)	31 March 2020 (Audited) (Refer note 13)	31 March 2021 (Audited)	31 March 2020 (Audited)
1 Revenue from operations					
(a) Interest income	41.77	33.79	1.40	83.50	12.12
(b) Dividend income	83.88	-	19.66	136.53	69.47
(c) Fee and commission income	36.31	23.18	24.11	99.12	95.98
(d) Other operating income	4.01	6.75	13.29	24.46	43.76
Total revenue from operations	165.97	63.72	58.46	343.61	221.33
2 Other income (Refer Note 7)	1,540.64	-	8.77	1,378.27	24.22
3 Total Income (1+2)	1,706.61	63.72	67.23	1,721.88	245.55
4 Expenses					
(a) Finance costs	41.50	39.29	6.00	97.33	32.31
(b) Net (gain) / loss on fair value changes	442.38	(0.04)	17.68	442.29	(13.47)
(c) Employee benefits expense	171.65	4.39	34.87	191.22	79.77
(d) Depreciation and amortisation expense	0.24	0.36	0.74	1.40	3.22
(e) Impairment of financial assets	148.70	1.24	0.84	148.70	1.87
(f) Other expenses	92.72	19.28	20.21	147.02	62.29
Total expenses	897.19	64.52	80.34	1,027.96	165.99
5 Profit / (loss) before tax (3-4)	809.42	(0.80)	(13.11)	693.92	79.56
6 Tax expense					
Current tax	(11.48)	(11.24)	(4.27)	(13.60)	0.19
Deferred tax and MAT	(16.58)	10.66	(7.13)	(8.70)	(3.22)
7 Net Profit / (loss) for the period (5-6)	837.48	(0.22)	(1.71)	716.22	82.59
8 Other comprehensive income / (loss)	0.16	0.81	(0.11)	0.95	(0.05)
9 Total Comprehensive Income / (loss) (7+8)	837.64	0.59	(1.82)	717.17	82.54
10 Earnings Per Share (₹) (Face Value of ₹ 1/- each)					
- Basic (Refer note 9)	9.41	(0.003)	(0.02)	8.05	0.93
- Diluted (Refer note 9)	9.37	(0.003)	(0.02)	8.01	0.92

Notes:

- The standalone financial results of Edelweiss Financial Services Limited ('EFSL' or 'the Company') for the quarter and year ended 31 March 2021 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 June 2021.
- The standalone financial results of EFSL for the quarter and year ended 31 March 2021 have been subjected to audit by the Statutory Auditors of the Company and the auditors have issued an unmodified audit report.
- During the quarter ended 31 March 2021, the Company has issued 8,03,425 equity shares of face value of ₹1 each to the employees of the Company and its subsidiaries on exercise of employee stock options.
- The Board of Directors at their meeting held on 11 June 2021, have recommended a final dividend of ₹ 0.55 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.
- During earlier years and for the year ended 31 March 2021, four subsidiaries of the Company had sold certain financial assets amounting to ₹ 6,156.89 crores (net of provisions) and ₹ 1,071.15 crores (net of provisions) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 4,985.84 crores and ₹ 880.11 crores respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statements. The Company and Edelweiss Rural and Corporate Services Limited (ERCSL), another subsidiary, had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial statements.

Based on a review performed by management of these subsidiaries and the Company, with effect from 01 January 2021, has directly undertaken substantially all risks and rewards and consequently ERCSL is relieved of its obligations. Further and pursuant to such review, with effect from 01 January 2021, certain terms and conditions of risk and reward agreements have been amended. The Board of Directors of subsidiaries, ERCSL and the Company in their respective meetings held on 04 June 2021, 10 June 2021 and 11 June 2021 have approved such changes to risk and reward agreements.

During the quarter ended 31 March 2021, the Company re-assessed probability of default, loss given default in respect of these financial assets and in light of various factors viz. operational challenges for exposures to certain sectors, increase in credit and market risks for certain counter parties relative to such risks at initial recognition, continued impact of COVID-19 factors. Such re-assessments resulted in recognition of higher amount of loss on fair value changes for the quarter ended 31 March 2021. Accordingly, the Company has recorded for the quarter and year ended 31 March 2021 an amount of ₹ 442.63 crores towards net loss as substantially all risks and rewards are undertaken by the Company. Accordingly, profit before tax of the Company for the quarter and year ended 31 March 2021 is lower by ₹ 442.63 crores.

- Pursuant to amendments in risk and rewards agreement between the subsidiaries, ERCSL and the Company (as mentioned in note 5 above), with effect from 01 January 2021, fees payable on security receipts (ARC Fee) has been agreed to be borne by the Company, as the risk and rewards are undertaken by the Company. Accordingly, an amount of ₹ 48.93 crores towards such expenses have been recorded by the Company. Accordingly, profit before tax of the Company for the quarter and year ended 31 March 2021 is lower by ₹ 48.93 crores.
- During the quarter ended 31 March 2021, EFSL sold its controlling stake in Edelweiss Securities Limited to Edelweiss Global Wealth Management Limited, in accordance with the transaction consummated with PAGAC ECSTACY PTE. LTD (PAG), a private investment firm. The difference between the carrying value of equity sold and proceeds received on sale have been accounted for as a gain amounting to ₹ 1,537.87 crores in the statement of profit and loss as 'other income'.

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- 8 Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the quarter and year ended 31 March 2021, Parties have agreed and concluded that loss event for two of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 140.01 crores incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the quarter and year ended 31 March 2021. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence as at 31 March 2021 there is no obligation EFSL has as at 31 March 2021.
- 9 Earnings per share for the quarters ended 31 March 2021, 31 December 2020 and 31 March 2020 are not annualised.
- 10 Two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.
- 11 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 12 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 activities across the world. The Indian Government too has imposed lockdowns starting from 24 March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to 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, including the current "second wave" on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID-19, steps taken by the government and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. Further, 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 financial support from banks and other fundraising opportunities 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. In assessing the recoverability of loans, receivables, 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 continue to evolve, 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.
- 13 The figures for quarter ended 31 March 2021 and for the quarter ended 31 March 2020, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended 31 December 2020 and nine months ended 31 December 2019 respectively. The figures up to the end of the nine months period ended 31 December 2020 and nine months period ended 31 December 2019 were subjected to a limited review by the Statutory Auditors of the Company.

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14 Standalone Segment Results for the quarter and year ended 31 March 2021

(₹ in Crores)

Particulars	Quarter ended			Year ended	
	31 March 2021 (Audited) (Refer note 13)	31 December 2020 (Reviewed)	31 March 2020 (Audited) (Refer note 13)	31 March 2021 (Audited)	31 March 2020 (Audited)
1 Segment revenue [Total income]					
Agency	25.64	15.92	20.45	66.41	80.82
Holding Company activities	1,678.34	47.80	46.77	1,648.69	163.89
Unallocated	2.63	-	0.01	6.78	0.84
Total income	1,706.61	63.72	67.23	1,721.88	245.55
2 Segment results [Profit / (loss) before tax]					
Agency	(28.57)	9.08	(22.92)	(14.27)	(3.38)
Holding Company activities	835.36	(9.88)	9.80	701.41	82.10
Unallocated	2.63	-	0.01	6.78	0.84
Total Profit / (loss) before tax	809.42	(0.80)	(13.11)	693.92	79.56
3 Segment assets					
Agency	4.19	12.23	14.05	4.19	14.05
Holding Company activities	5,870.14	4,370.33	3,576.12	5,870.14	3,576.12
Unallocated	106.61	83.75	91.92	106.61	91.92
Total assets	5,980.94	4,466.31	3,682.09	5,980.94	3,682.09
4 Segment Liabilities					
Agency	39.71	7.77	28.32	39.71	28.32
Holding Company activities	1,813.69	1,088.65	184.32	1,813.69	184.32
Unallocated	1.55	7.21	14.88	1.55	14.88
Total liabilities	1,854.95	1,103.63	227.52	1,854.95	227.52
5 Capital employed [Segment assets - Segment liabilities]					
Agency	(35.52)	4.46	(14.27)	(35.52)	(14.27)
Holding Company activities	4,056.45	3,281.68	3,391.80	4,056.45	3,391.80
Unallocated	105.06	76.54	77.04	105.06	77.04
Total capital employed	4,125.99	3,362.68	3,454.57	4,125.99	3,454.57

Agency includes investment banking; Holding Company activities comprise of development, managerial and financial support to the businesses of subsidiaries and investment activities.

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**15 Standalone statement of assets and liabilities as at 31 March, 2021**

(₹ in Crores)

Particulars	As at	As at
	31 March 2021 (Audited)	31 March 2020 (Audited)
ASSETS		
Financial assets		
(a) Cash and cash equivalents	148.18	1.37
(b) Other bank balances	0.82	0.96
(c) Trade receivables	19.10	61.89
(d) Loans	1,247.24	0.67
(e) Investments	4,381.73	3,467.29
(f) Other financial assets	62.94	39.33
Sub-total - Financial assets	5,860.01	3,571.51
Non-financial assets		
(a) Current tax assets (net)	68.81	61.86
(b) Deferred tax assets (net)	37.81	29.11
(c) Property, Plant and Equipment	0.60	0.84
(d) Intangible assets under development	-	0.92
(e) Other Intangible assets	0.12	1.68
(f) Other non- financial assets	13.59	16.17
Sub-total - Non-Financial assets	120.93	110.58
TOTAL ASSETS	5,980.94	3,682.09
LIABILITIES AND EQUITY		
Financial liabilities		
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	0.09
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	235.44	8.03
(b) Debt securities	728.90	73.41
(c) Borrowings other than debt securities	109.11	73.25
(d) Other financial liabilities	684.15	57.71
Sub-total - Financial liabilities	1,757.60	212.49
Non-financial liabilities		
(a) Current tax liabilities (net)	0.73	6.98
(b) Provisions	84.58	0.91
(c) Other non-financial liabilities	12.04	7.14
Sub-total - Non-financial liabilities	97.35	15.03
Equity		
(a) Equity share capital	89.09	88.95
(b) Other equity	4,036.90	3,365.62
Total Equity	4,125.99	3,454.57
TOTAL LIABILITIES AND EQUITY	5,980.94	3,682.09

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**16 Standalone statement of cash flows for the year ended 31 March 2021**

(₹ in Crores)

Particulars	Year ended	
	31 March 2021 (Audited)	31 March 2020 (Audited)
A Cash flow from operating activities		
Profit before tax	693.92	79.56
Adjustments for:		
Depreciation and amortisation expenses	1.40	3.22
Fair value change in investments	(0.35)	0.30
Fair value change in provisions	442.63	
Profit on sale of investments (net)	(1,371.49)	(15.66)
Impairment / (reversal) on financial instruments	148.70	1.87
Dividend on investments	(136.53)	(69.47)
(Profit)/loss on sale of property, plant and equipment	1.62	(0.14)
Interest income	(83.50)	(11.69)
ESOP and SAR cost	8.47	9.97
Finance costs	97.33	32.31
Operating cash flow before working capital changes	(197.80)	30.27
Add/(Less): Adjustments for working capital changes		
Decrease/(Increase) in trade receivables	4.73	19.21
Decrease/(Increase) in derivative financial instruments	-	(0.25)
(Decrease)/increase in trade payables	90.10	(3.73)
Decrease/(Increase) in other financial assets	31.65	7.17
Decrease/(Increase) in other non-financial assets	0.73	(2.90)
Decrease/(Increase) in other bank balances	0.14	5.04
(Decrease)/increase in provisions and other financial liabilities	183.26	(2.71)
(Decrease)/increase in other non-financial liabilities	4.92	4.95
Cash generated from/(used in) operations	117.73	57.05
Income taxes paid/(refund) during the year	0.39	(17.08)
Net cash generated from/(used in) operating activities - A	118.12	39.97
B Cash flow from investing activities		
Purchase of property, plant and equipment	(0.39)	(1.17)
Sale of property, plant and equipment	0.08	0.26
Purchase of investments	(1,661.85)	(155.82)
Sale of investments	2,118.63	43.14
Dividend on investments	136.53	69.47
Loan (given) / Repayment of loans (refer note) ¹	(1,246.79)	239.07
Interest received	83.50	25.82
Net cash generated from/(used in) investing activities - B	(570.29)	220.77
C Cash flow from financing activities		
Proceeds from issuance of Share capital (including securities premium)	4.96	7.99
Repayment of non convertible debentures	(1,273.41)	-
Proceeds from debt securities	1,923.08	73.41
Proceeds from/(repayment of) borrowing (refer note) ¹	35.87	(292.81)
Dividend paid	-	(26.65)
Finance costs	(91.52)	(32.31)
Net cash (used in)/generated from financing activities - C	598.98	(270.37)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	146.81	(9.63)
Cash and cash equivalents as at the beginning of the year	1.37	11.00
Cash and cash equivalents as at the end of the year	148.18	1.37

¹ Net figures have been reported on account of volume of transactions.

Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

17 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year's presentation.

18 The Standalone financial results will be available on the Company's website - www.edelweissfin.com

On behalf of the Board of Directors

RASHESH
CHANDRAKA
NT SHAH

Rashesh Shah
Chairman

Mumbai, 11 June 2021.

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Edelweiss Financial Services Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Edelweiss Financial Services Limited (the "Company") for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 12 of the 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 investments and other financial assets, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SHRAWAN
BHAGWATI
JALAN

Digitally signed by SHRAWAN
BHAGWATI JALAN
DN: cn=SHRAWAN BHAGWATI
JALAN, o=IN, ou=Personal,
email=shrawan.jalan@srb.in
Date: 2021.06.11 20:36:45 +05'30'

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 21102102AAAALD4466

Place: Mumbai

Date: June 11, 2021

Edelweiss Financial Services Limited

Corporate Identity Number: L99999MH1995PLC094641
Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098
Tel: +91-22-40094400 Fax: +91-22-40863610
Website : www.edelweissfin.com



Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

a) Details of Credit Rating

Instrument category	Rating Agency	Ratings
Market Linked Debentures	Brickwork Rating India Private Limited	BWR PP-MLD AA-/stable
Public NCD	CARE Ratings Limited	CARE A+/stable
Public NCD	Brickwork Rating India Private Limited	BWR AA-/stable
Public NCD	Acuite Ratings & Research Limited	Acuite AA/Negative

Particulars	31-Mar-21	31-Mar-20
b) Asset cover available*	2.22	Not Applicable
c) Debt-equity ratio	0.18	Not Applicable
d) Capital redemption reserve (₹ in Crores)	2.03	Not Applicable
e) Debenture redemption reserve	NIL	Not Applicable
f) Net worth (₹ in Crores) (Refer Note 2)	4,125.99	Not Applicable
g) Debt Service Coverage Ratio (DSCR) (Refer Note 3)	287.39	Not Applicable
h) Interest Service Coverage Ratio (ISCR) (Refer Note 4)	8.13	Not Applicable
i) Outstanding redeemable preference shares	Nil	Not Applicable

Note:

* Asset Cover Available: All secured NCDs issued by the Company are fully secured by way of charge on identified specific assets as stated in respective debenture trust deed(s) and/ or by way of charge / hypothecation of receivables on pari-passu basis, to the extent stated in the respective information memorandum.

1. Debt-equity Ratio = Total debt / Net worth
2. Net worth = Share capital + Reserves & Surplus
3. DSCR = Profit before interest and tax / (Interest expense + Principal repayment in next six months)
4. ISCR = Profit before interest and tax / Interest expense



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Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (continued)

j) Details of previous due date, next due date for the payment of interest and repayment of principal of non convertible debt securities:-

ISIN number	Previous due date from 1st October 2020 to 31st		Whether paid or not	Next due date from 1st April 2021 to 30th September 2021		Redemption (Principal + Interest) Amount Rs in crores Principal Amount + Interest Amount
	For interest	For Principal		For interest	For Principal	
INE532F07BI1	01-Oct-20	NA	Paid	NA	NA	6.79
INE532F07BI1	01-Jan-21	NA	Paid	NA	NA	20.16
INE532F07BM3	08-Feb-21	NA	Paid	NA	NA	0.45
INE532F07BP6	08-Feb-21	NA	Paid	NA	NA	0.15
INE532F07BM3	08-Mar-21	NA	Paid	NA	NA	0.40
INE532F07BP6	08-Mar-21	NA	Paid	NA	NA	0.13
INE532F07BI1	18-Mar-21	NA	Paid	NA	NA	17.10
INE532F07BI1	20-Mar-21	NA	Paid	NA	NA	0.22
INE532F07BI1	22-Mar-21	22-Mar-21	Paid	NA	NA	1035.46
INE532F07BU6	31-Mar-21	NA	Paid	NA	NA	0.72
INE532F07BM3	NA	NA	NA	08-Apr-21	NA	0.45
INE532F07BP6	NA	NA	NA	08-Apr-21	NA	0.15
INE532F07BU6	NA	NA	NA	30-Apr-21	30-Apr-21	3.35
INE532F07BM3	NA	NA	NA	08-May-21	NA	0.43
INE532F07BP6	NA	NA	NA	08-May-21	NA	0.14
INE532F07BX0	NA	NA	NA	31-May-21	NA	0.62
INE532F07CA6	NA	NA	NA	31-May-21	NA	0.15
INE532F07BU6	NA	NA	NA	31-May-21	31-May-21	3.39
INE532F07BM3	NA	NA	NA	08-Jun-21	NA	0.45
INE532F07BP6	NA	NA	NA	08-Jun-21	NA	0.15
INE532F07BX0	NA	NA	NA	29-Jun-21	NA	0.64
INE532F07CA6	NA	NA	NA	29-Jun-21	NA	0.15
INE532F07BU6	NA	NA	NA	30-Jun-21	30-Jun-21	3.33
INE532F07BM3	NA	NA	NA	08-Jul-21	NA	0.43
INE532F07BP6	NA	NA	NA	08-Jul-21	NA	0.14
INE532F07BX0	NA	NA	NA	29-Jul-21	NA	0.62
INE532F07CA6	NA	NA	NA	29-Jul-21	NA	0.15
INE532F07BU6	NA	NA	NA	31-Jul-21	31-Jul-21	3.38
INE532F07BM3	NA	NA	NA	08-Aug-21	NA	0.45
INE532F07BP6	NA	NA	NA	08-Aug-21	NA	0.15
INE532F07BX0	NA	NA	NA	29-Aug-21	NA	0.64
INE532F07CA6	NA	NA	NA	29-Aug-21	NA	0.15
INE532F07BU6	NA	NA	NA	31-Aug-21	31-Aug-21	3.37
INE532F07BM3	NA	NA	NA	08-Sep-21	NA	0.45
INE532F07BP6	NA	NA	NA	08-Sep-21	NA	0.15
INE532F07BX0	NA	NA	NA	29-Sep-21	NA	0.64
INE532F07CA6	NA	NA	NA	29-Sep-21	NA	0.15
INE532F07BU6	NA	NA	NA	30-Sep-21	30-Sep-21	3.31

Note:

- The Company has paid all the due amounts of interest/principal on the respective due dates during the half year ended 31 March 2021
- The details with regard to the interest/principal are provided in respect of those Series, in respect of which the interest/principal payment was due in the previous 6 months (i.e. 1 October 2020 to 31 March 2021) or falling due in the next 6 months (i.e. 1 April 2021 to 30 September 2021).

