

## INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Housing 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 Housing Finance Limited (the "Company"), which comprises the Balance sheet as at March 31, 2021, 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, 2021, its profit including other comprehensive loss 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

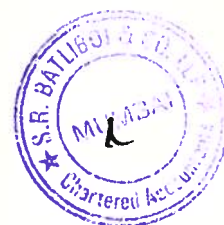
We draw attention to Note 46.1.(j) to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and investments which are highly dependent 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, 2021. 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><b>Impairment of financial instruments (expected credit losses)</b> <i>(as described in note 46.1 of the standalone Ind AS financial statements)</i></p>	
<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loan &amp; 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"> <li>Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'.</li> <li>Determining effect of less frequent past events on future probability of default.</li> <li>Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>Determining macro-economic factors impacting credit quality of receivables;</li> </ol> <p><b>Impact of COVID-19</b> 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, pursuant to the Reserve Bank of India circular dated August 6, 2020 for "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" ("RBI circulars") allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions. 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, the macroeconomic overlay estimate is based on various highly uncertain and unobservable factors. In</p>	<ul style="list-style-type: none"> <li>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 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines").</li> <li>Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued by RBI on August 6, 2020 and tested the implementation of such policy on a sample basis.</li> <li>Evaluated management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</li> <li>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.</li> <li>Assessed the additional considerations applied by the management for staging of loans as SICR</li> <li>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.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>Read and assessed the adequacy of disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and 109.</li> </ul>



**Edelweiss Housing Finance Limited****Auditor's report for the year ended March 31, 2021****Page 3 of 10**

<p>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>	
<b>Information Technology System</b>	
<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"> <li>• Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.</li> <li>• 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.</li> <li>• Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.</li> <li>• 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.</li> <li>• Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</li> </ul>

**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, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

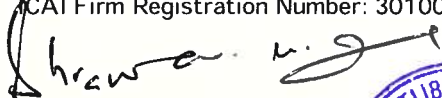
#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of accounts 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 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, 2021 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;



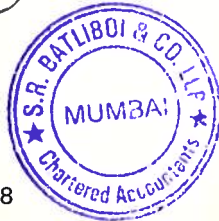
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending 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: 21102102AAAAKJ7448



Place of Signature: Mumbai  
Date: June 4, 2021

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

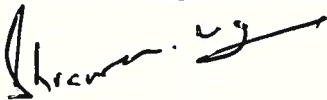
Re: Edelweiss Housing Finance Limited ("the Company")

- (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 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in goods and service tax. The provisions relating to 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, employees' state insurance, 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 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 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, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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



per Shrawan Jalan  
Partner  
Membership Number: 102102



UDIN: 21102102AAAKJ7448

Place: Mumbai  
Date: June 4, 2021

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EDELWEISS HOUSING 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 with reference to Ind AS financial statements of Edelweiss Housing Finance Limited ("the Company") as of March 31, 2021 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, 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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

**Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls 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 controls 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.



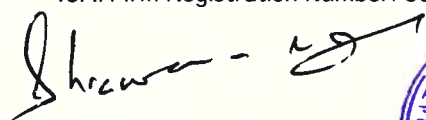
**Inherent Limitations of Internal Financial Controls With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control 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**

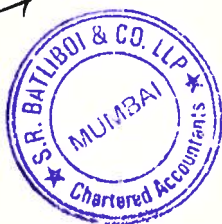
In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



per Shrawan Jalan  
Partner  
Membership Number: 102102

UDIN: 21102102AAAAKJ7448



Place of Signature: Mumbai  
Date: June 4, 2021

Edelweiss Housing Finance Limited  
Balance Sheet as at March 31, 2021  
(Currency : Indian rupees in millions)

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6	9,455.81	4,929.16
Bank balances other than cash and cash equivalents	7	835.30	739.32
Securities held for trading	8	155.83	-
Trade receivables	9	104.02	58.46
Loans	10	35,958.59	43,200.62
Investments	11	1,600.86	1,044.73
Other financial assets	12	916.75	244.92
		<u>49,027.16</u>	<u>50,217.21</u>
<b>Non-financial assets</b>			
Current tax assets (net)	13	21.86	7.38
Deferred tax assets (net)	14	-	21.25
Property, plant and equipment	15	118.28	203.83
Intangible assets under development		7.10	1.45
Other intangible assets	16	2.27	3.46
Other non- financial assets	17	134.33	53.68
		<u>283.84</u>	<u>291.05</u>
<b>TOTAL ASSETS</b>		<u><b>49,311.00</b></u>	<u><b>50,508.26</b></u>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	18	72.28	85.37
Debt securities	19	11,676.75	10,091.57
Borrowings (other than debt securities)	20	22,628.38	27,992.02
Subordinated liabilities	21	508.61	508.61
Other financial liabilities	22	6,373.14	3,948.80
		<u>41,259.16</u>	<u>42,626.37</u>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	23	16.90	106.03
Provisions	24	37.62	25.34
Deferred tax liabilities (net)	14	9.18	-
Other non-financial liabilities	25	360.26	59.78
		<u>423.96</u>	<u>191.15</u>
<b>Equity</b>			
Equity share capital	26	693.50	693.50
Other equity	27	6,934.38	6,997.24
		<u>7,627.88</u>	<u>7,690.74</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>49,311.00</b></u>	<u><b>50,508.26</b></u>

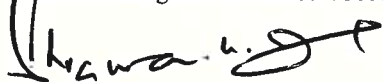
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 301003E/ E300005



per Shrawan Jalan

Partner

Membership No. 102102

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



Rajat Avasthi

MD & CEO

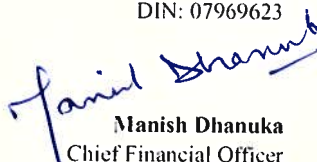
DIN: 07969623



Deepak Mittal

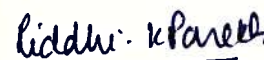
Director

DIN: 00010337



Manish Dhanuka

Chief Financial Officer



Riddhi Parekh

Company Secretary

Membership No. A20867

Place : Mumbai  
Date : June 04, 2021



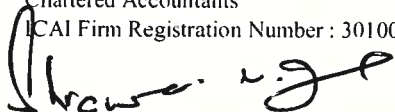
Edelweiss Housing Finance Limited  
Statement of Profit and Loss for the year ended March 31, 2021  
(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from operations</b>			
Interest income	28	5,026.66	5,654.40
Dividend income		1.80	-
Fee and commission income	29	341.46	357.15
Net gain on fair value changes	30	117.25	39.67
<b>Total Revenue from operations</b>		<b>5,487.17</b>	<b>6,051.22</b>
<b>Other income</b>	31	<b>23.37</b>	<b>22.68</b>
<b>Total Revenue</b>		<b>5,510.54</b>	<b>6,073.90</b>
<b>Expenses</b>			
Finance costs	32	3,892.83	4,193.35
Impairment on financial instruments	33	511.40	407.06
Employee benefits expense	34	558.02	690.71
Depreciation, amortisation and impairment	15 & 16	56.40	78.88
Other expenses	35	572.61	720.27
<b>Total expenses</b>		<b>5,591.26</b>	<b>6,090.27</b>
<b>Loss before tax</b>		<b>(80.72)</b>	<b>(16.37)</b>
Tax expenses:			
Current tax	36.1 & 36.2	(51.25)	88.66
(1) Current tax		39.21	99.23
(2) Short / (Excess) provision for earlier years		(90.46)	(10.57)
Deferred tax	36.3	(66.76)	(120.58)
(1) MAT credit entitlement		-	19.82
(2) Deferred tax (net)		(66.76)	(140.40)
<b>Profit for the year</b>		<b>37.29</b>	<b>15.55</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / (loss) on defined benefit plans	40	(2.95)	(1.44)
Less: Income tax relating to items that will not be reclassified to profit or loss	36.3	0.74	0.36
<b>Other Comprehensive Income / (loss)</b>		<b>(2.21)</b>	<b>(1.08)</b>
<b>Total Comprehensive Income</b>		<b>35.08</b>	<b>14.47</b>
<b>Earnings per equity share (Face value of Rs. 10 each):</b>			
(a) Basic	38	0.54	0.22
(b) Diluted		0.54	0.22

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  
Chartered Accountants  
ICAI Firm Registration Number : 301003E/ E300005



per Shrawan Jalan  
Partner  
Membership No. 102102

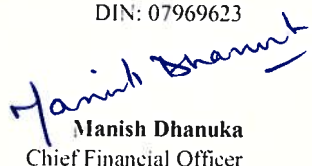
Place : Mumbai  
Date : June 04, 2021



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

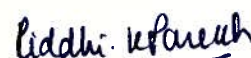


Rajat Avasthi  
MD & CEO  
DIN: 07969623

  
Manish Dhanuka  
Chief Financial Officer



Deepak Mittal  
Director  
DIN: 00010337



Riddhi Parekh  
Company Secretary  
Membership No. A20867

Edelweiss Housing Finance Limited  
Statement of Cash flows for the year ended March 31, 2021  
(Currency : Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
Loss before tax	(80.72)	(16.37)
<i>Adjustments for</i>		
Depreciation, amortisation and impairment	56.40	78.88
Impairment on financial instruments	511.40	407.06
Interest on lease liabilities	14.88	18.78
Loss / (Gain) on sale of fixed assets	7.76	0.59
<b>Operating cash flow before working capital changes</b>	<b>509.72</b>	<b>488.94</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease / (Increase) in Receivables	(45.56)	(49.97)
Decrease / (Increase) in Stock in trade	(155.83)	-
Decrease / (Increase) in Receivables from financing business (net)	6,730.63	9,991.33
Decrease / (Increase) in Other financial assets	(767.81)	(841.16)
Decrease / (Increase) in Investments	(556.13)	(1,044.73)
Decrease / (Increase) in Other non financial assets	(80.65)	(5.27)
Increase / (Decrease) in Trade payables	(13.09)	(138.89)
Increase / (Decrease) in Non financial liabilities and provisions	309.80	(80.04)
Increase / (Decrease) in Other financial liability	2,236.37	2,373.10
<b>Cash flow from operations</b>	<b>8,167.45</b>	<b>10,693.32</b>
Income taxes paid	(52.36)	(131.84)
<b>Net cash generated from operating activities - A</b>	<b>8,115.09</b>	<b>10,561.48</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, plant and equipment and Intangible assets	(23.70)	(44.30)
Decrease / (Increase) in Capital Work-in-progress and Intangibles under development	(5.65)	10.13
Sale of Property, plant and equipment	46.28	2.90
<b>Net cash generated from / (used in) investing activities - B</b>	<b>16.93</b>	<b>(31.27)</b>
<b>C Cash flow from financing activities</b>		
Increase / (Decrease) in Debt securities <sup>1</sup>	1,793.02	(2,568.86)
Increase / (Decrease) in Borrowings other than debt securities <sup>1</sup>	(5,360.01)	(3,573.68)
Repayment of lease obligations	(38.38)	(52.11)
<b>Net cash used in financing activities - C</b>	<b>(3,605.37)</b>	<b>(6,194.65)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,526.65</b>	<b>4,335.56</b>
Cash and cash equivalent as at the beginning of the year (refer note 6)	4,929.16	593.60
Cash and cash equivalent as at the end of the year (refer note 6)	9,455.81	4,929.16
<b>Operational cash flows from interest</b>		
Interest paid	3,709.48	4,002.86
Interest received	4,259.83	5,282.27

Notes:

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
2. For disclosure relating to changes in liabilities arising from financing activities, refer note 37
3. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

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

Chartered Accountants

ICAI Firm Registration Number : 301003E/ E300005

*Shrawan Jalan*

per Shrawan Jalan

Partner

Membership No. 102102



Place : Mumbai

Date : June 04, 2021

For and on behalf of the Board of Directors

Edelweiss Housing Finance Limited

*Rajat Avasthi*

Rajat Avasthi

MD & CEO

DIN: 07969623

*Manish Dhanuka*

Manish Dhanuka  
Chief Financial Officer

*Deepak Mittal*

Deepak Mittal

Director

DIN: 00010337

*Riddhi Parekh*

Riddhi Parekh

Company Secretary

Membership No. A20867

# Edelweiss Housing Finance Limited

## Statement of Changes in Equity for the year ended March 31, 2021

(Currency : Indian rupees in millions)

### (a) Equity share capital

	Outstanding as on April 01, 2019	Issued during the year	Outstanding as on March 31, 2020	Issued during the year	Outstanding as on March 31, 2021
Issued, Subscribed and Paid up (Equity shares of Rs. 10 each, fully paid-up)	693.50	0.00	693.50	0.00	693.50
	693.50	0.00	693.50	0.00	693.50

### (b) Other Equity

	Securities Premium Account	Deemed capital contribution - Equity shares	Reserve under section 29C of the National Housing Bank Act, 1987	Debt redemption reserve	Retained earnings	Total
<b>Balance at April 01, 2019</b>	<b>4,075.18</b>	<b>33.46</b>	<b>537.22</b>	<b>469.25</b>	<b>1,880.34</b>	<b>6,995.45</b>
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	(12.68)	(12.68)
Profit or loss	-	-	-	-	15.55	15.55
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	(1.08)	(1.08)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.47</b>	<b>14.47</b>
Transfers to / from retained earnings	-	-	3.12	-	(3.12)	-
<b>Balance at March 31, 2020</b>	<b>4,075.18</b>	<b>33.46</b>	<b>540.34</b>	<b>469.25</b>	<b>1,879.01</b>	<b>6,997.24</b>
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	-	-
Profit or loss	-	-	-	-	37.29	37.29
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	(2.21)	(2.21)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.08</b>	<b>35.08</b>
Deferred tax liability created on opening Reserve under section 29C of the National Housing Bank Act, 1987	-	-	-	-	(97.91)	(97.91)
Transfers to / from retained earnings	-	-	7.46	(127.93)	120.47	-
<b>Balance at March 31, 2021</b>	<b>4,075.18</b>	<b>33.46</b>	<b>547.80</b>	<b>341.32</b>	<b>1,936.62</b>	<b>6,934.38</b>

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 301003H/E/3000005

*Shravan. V. J.*

per Shravan Jalan

Partner

Membership No. 102102



Place : Mumbai

Date : June 04, 2021

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

*[Signature]*

Rajat Avasthi

MD & CEO

DIN: 07969623

*[Signature]*

Deepak Mittal

Director

DIN: 00010337

*[Signature]*

Manish Dhanuka

Chief Financial Officer

*[Signature]*

Riddhi Parikh

Company Secretary

Membership No. A20867

## 1. Corporate Information:

Edelweiss Housing Finance Limited ("EHFL" or "the Company") is a public limited company domiciled and incorporated on May 30, 2008 under the provisions of the Companies Act applicable in India. The Company is subsidiary of Edelweiss Rural & Corporate Services Limited. The Company is registered as Housing finance institution (without accepting public deposit) with the National Housing Bank (NHB) under section 29A of the NHB Act, 1987. registration no. is 03.0081.10.

The Company's primary business is providing loan to Retail customers for construction or purchase of residential property, loan against property and loans to real estate developers.

## 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 41-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 cure and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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

### 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 Company'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 Amorisred cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.



### 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 categorises its financial assets as follows:

#### Stage 1 Assets:

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

#### Stage 2 Assets:

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

#### Stage 3 Assets:

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

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:

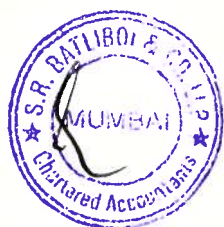
The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications 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 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.

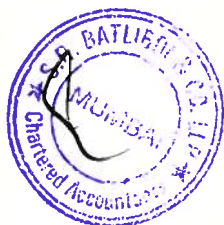
#### 3.20.2 Deferred tax:

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 46.1, 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 46.1 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:**

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



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020				
<b>6 Cash and cash equivalents</b>						
Cash on hand	-	0.03				
Balance with banks						
- in current accounts	1,972.39	745.37				
- in fixed deposits with original maturity less than three months	7,483.42	4,183.76				
	<u>9,455.81</u>	<u>4,929.16</u>				
<b>7 Bank balances other than cash and cash equivalents</b>						
Fixed deposits with original maturity more than 12 months	598.51	600.21				
Fixed deposits with original maturity more than three months and less than 12 months	236.79	139.11				
	<u>835.30</u>	<u>739.32</u>				
<b>7.A Encumbrances on fixed deposits with bank held by the Company</b>						
Given as credit enhancements towards securitisation/ assignment	762.40	566.16				
Given as margin against the bank guarantee issued in favour of BSE Limited towards public issuance of non convertible debentures	25.62	25.17				
<b>8 Securities held for trading</b>						
<i>At fair value through profit and loss account</i>						
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>				
	<b>Face value</b>	<b>Quantity</b>	<b>Amount</b>	<b>Face value</b>	<b>Quantity</b>	<b>Amount</b>
<b>Debt Securities</b>						
0.00% Edelweiss Rural & Corporate Services Limited 15.07.2021						
Bonds	10,00,000	72	90.11	-	-	-
<i>Total Debt securities (A)</i>			90.11			-
<b>Equity instruments</b>						
Indian Railway Finance Corporation Limited	10	17,09,857	39.15	-	-	-
MTAR Technologies Ltd	10	4,595	4.70	-	-	-
Laxmi Organic Industries Ltd	2	1,05,597	18.43	-	-	-
Nazara Technologies Ltd	4	2,345	3.44	-	-	-
<i>Total equity instruments (B)</i>			65.72			-
<i>Total (A+B)</i>			155.83			-

Notes: Please refer note 47.2 Fair Value measurement for valuation methodologies for securities held for trading.

	As at March 31, 2021	As at March 31, 2020
<b>9 Trade receivables</b>		
Receivables considered good - non-related party	77.41	47.35
Receivables considered good - related party - (Refer note 43)	30.70	11.11
Receivables which have significant increase in credit risk	0.10	0.26
	<u>108.21</u>	<u>58.72</u>
Less : Allowance for expected credit losses	(4.19)	(0.26)
	<u>104.02</u>	<u>58.46</u>
	<u>104.02</u>	<u>58.46</u>
<b>Reconciliation of impairment allowance on trade receivables:</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	(0.26)	(0.07)
Add/ (less): asset originated or acquired (net)	(3.93)	(0.19)
Impairment allowance - Closing Balance	<u>(4.19)</u>	<u>(0.26)</u>

Note: For disclosure relating to trade receivable ageing/ provision matrix, refer note 48



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>10 Loans (at amortised cost)</b>		
<b>A. Term Loans</b>		
(i) Housing Loans	22,001.66	26,419.42
(ii) Non Housing Loans	14,451.92	17,190.97
<b>Total (A) - Gross</b>	<b>36,453.58</b>	<b>43,610.39</b>
Less: Impairment loss allowance	(494.99)	(409.77)
<b>Total (A) - Net</b>	<b>35,958.59</b>	<b>43,200.62</b>
<b>B. Term Loans</b>		
(i) Secured by tangible assets (Refer note 46.1.2)	34,937.09	43,580.99
(ii) Unsecured	1,516.49	29.40
<b>Total (B) - Gross</b>	<b>36,453.58</b>	<b>43,610.39</b>
Less: Impairment loss allowance	(494.99)	(409.77)
<b>Total (B) - Net</b>	<b>35,958.59</b>	<b>43,200.62</b>
<b>C. Term Loans</b>		
<b>C.I Loans in India</b>		
(i) Public Sectors	-	-
(ii) Others	36,453.58	43,610.39
<b>Total (C.I) - Gross</b>	<b>36,453.58</b>	<b>43,610.39</b>
Less: Impairment loss allowance	(494.99)	(409.77)
<b>Total (C.I) - Net</b>	<b>35,958.59</b>	<b>43,200.62</b>
<b>C.II Loans outside India</b>	-	-
Less: Impairment loss allowance	-	-
<b>Total (C.II) - Net</b>	-	-
<b>Total: (C I and C II)</b>	<b>35,958.59</b>	<b>43,200.62</b>

**Notes:**

- (i) The non-housing loan referred in note 10(A)(i) includes an amount of Rs. 710.08 million (previous year includes Rs. 755.03 million) being mortgage credit insurance premium payable by the obligor on housing loan.
- (ii) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (previous year Nil).



#### 10.1. 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 46.1 and policies on ECL allowances are set out in Note 3.6.

##### (a) Gross carrying amount of loan assets allocated to Stage 1, Stage 2 and Stage 3

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Loans (at amortised cost)</b>								
<b>Performing</b>								
High grade	30,886.26	-	-	30,886.26	39,941.18	-	-	39,941.18
Standard grade	-	4,291.50	-	4,291.50	-	2,908.64	-	2,908.64
<b>Non-performing</b>								
Impaired	-	-	1,275.82	1,275.82	-	-	760.57	760.57
<b>Total</b>	<b>30,886.26</b>	<b>4,291.50</b>	<b>1,275.82</b>	<b>36,453.58</b>	<b>39,941.18</b>	<b>2,908.64</b>	<b>760.57</b>	<b>43,610.39</b>

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

<b>For the year ended March 31, 2021</b>								
Particulars	Non-credit impaired Stage I		Non-credit impaired 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
<b>Opening Balance</b>	39,941.18	56.36	2,908.64	237.64	760.57	110.41	43,610.39	404.40
Transfers:								
Transfers to 12 Month ECL (Stage 1)	412.66	30.53	(376.24)	(26.57)	(36.42)	(3.96)	-	-
Transfers to lifetime ECL (Stage 2)	(2,965.61)	(6.65)	2,975.06	7.70	(9.45)	(1.05)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(884.55)	(2.05)	(1,236.14)	(113.35)	2,120.69	115.40	-	-
Net remeasurement of ECL arising from transfer of stage	-	(6.74)	-	184.87	-	34.90	-	213.03
Net new and further lending (repayments)	(5,611.41)	10.84	21.07	(10.31)	5.95	36.80	(5,584.39)	37.33
Amounts written off	(5.94)	(0.01)	(0.88)	(0.56)	(56.15)	(33.39)	(62.97)	(33.96)
Loans sold to assets reconstruction company*	-	-	-	-	(1,509.43)	(128.75)	(1,509.43)	(128.75)
<b>Closing balance</b>	<b>30,886.33</b>	<b>82.28</b>	<b>4,291.51</b>	<b>279.42</b>	<b>1,275.76</b>	<b>130.36</b>	<b>36,453.60</b>	<b>492.05</b>

##### **For the year ended March 31, 2020**

<b>Opening Balance</b>	<b>51,158.39</b>	<b>117.97</b>	<b>1,820.64</b>	<b>102.30</b>	<b>982.91</b>	<b>139.02</b>	<b>53,961.94</b>	<b>359.28</b>
<b>Transfers:</b>								
Transfers to 12 Month ECL (Stage 1)	239.98	18.36	(225.03)	(16.84)	(14.95)	(1.52)	-	-
Transfers to lifetime ECL (Stage 2)	(1,970.67)	(11.43)	1,984.21	12.79	(13.54)	(1.36)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(986.57)	(6.46)	(507.63)	(27.78)	1,494.20	34.24	-	-
Net remeasurement of ECL arising from transfer of stage	-	(17.62)	-	140.77	-	49.64	-	172.79
Net new and further lending (repayments)	(8,499.76)	(44.40)	(162.78)	26.99	(7.43)	7.22	(8,669.97)	(10.19)
Amounts written off	(0.19)	(0.06)	(0.77)	(0.59)	(41.80)	(39.98)	(42.76)	(40.63)
Loans sold to assets reconstruction company	-	-	-	-	(1,638.82)	(76.85)	(1,638.82)	(76.85)
<b>Closing balance</b>	<b>39,941.18</b>	<b>56.36</b>	<b>2,908.64</b>	<b>237.64</b>	<b>760.57</b>	<b>110.41</b>	<b>43,610.39</b>	<b>404.40</b>

\*The Company had initiated sale of certain credit impaired financial assets before March 31, 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2021, amounted to Rs. 430.41 million 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 Rs. 365.84 million. As at March 31, 2021, there are no impact on the financial statements of the Company other than expected credit loss recorded in the Profit and Loss Statement for the quarter and year ended March 31, 2021 amounting to Rs. 72.94 million.



10.2. Credit Quality of exposure (Loan Commitment)

(a) Gross carrying amount of loan commitment allocated to Stage I, Stage 2 and Stage 3

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Loans (at amortised cost)</b>								
<b>Performing</b>								
High grade	1,257.25	-	-	1,257.25	439.61	-	-	439.61
Standard grade	-	10.02	-	10.02	-	42.20	-	42.20
<b>Non-performing</b>								
Impaired	-	-	13.99	13.99	-	-	2.38	2.38
<b>Total</b>	<b>1,257.25</b>	<b>10.02</b>	<b>13.99</b>	<b>1,281.26</b>	<b>439.61</b>	<b>42.20</b>	<b>2.38</b>	<b>484.19</b>

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

For the year ended March 31, 2021

Particulars	Non-credit impaired Stage I		Non-credit impaired 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
As at April 01, 2020	439.61	0.28	42.20	4.90	2.38	0.19	484.20	5.37
Transfers:								
Transfers to 12 Month ECL (Stage I)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(16.00)	(0.09)	16.00	0.09	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(7.61)	(0.02)	(6.34)	(0.02)	13.94	0.05	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	841.25	0.80	(41.85)	(4.39)	(2.34)	1.16	797.06	(2.43)
<b>Closing balance</b>	<b>1,257.25</b>	<b>0.97</b>	<b>10.01</b>	<b>0.58</b>	<b>13.98</b>	<b>1.40</b>	<b>1,281.26</b>	<b>2.94</b>

For the year ended March 31, 2020

As at April 01, 2019	1,301.71	1.12	131.05	0.66	84.45	1.87	1,517.21	3.65
Transfers:								
Transfers to 12 Month ECL (Stage 1)	1.44	0.12	(1.18)	(0.09)	(0.26)	(0.03)	-	-
Transfers to lifetime ECL (Stage 2)	(9.33)	(0.03)	9.55	0.05	(0.22)	(0.02)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1.73)	-	-	-	1.73	-	-	-
Net remeasurement of ECL arising from transfer of stage	-	(0.12)	-	0.42	-	0.10	-	0.40
Net new sanctions and (disbursements)	(852.48)	(0.81)	(97.22)	3.86	(83.32)	(1.73)	(1,033.02)	1.32
<b>Closing balance</b>	<b>439.61</b>	<b>0.28</b>	<b>42.20</b>	<b>4.90</b>	<b>2.38</b>	<b>0.19</b>	<b>484.19</b>	<b>5.37</b>



11 Investments

As at March 31, 2021	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 (refer note below)	-	-	1,600.86	-	1,600.86	-	1,600.86
<b>Total - Gross (A)</b>	-	-	1,600.86	-	1,600.86	-	1,600.86
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,600.86	-	1,600.86	-	1,600.86
<b>Total (B)</b>	-	-	1,600.86	-	1,600.86	-	1,600.86
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	1,600.86	-	1,600.86	-	1,600.86

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 (refer note below)	-	-	1,044.73	-	1,044.73	-	1,044.73
<b>Total - Gross (A)</b>	-	-	1,044.73	-	1,044.73	-	1,044.73
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,044.73	-	1,044.73	-	1,044.73
<b>Total (B)</b>	-	-	1,044.73	-	1,044.73	-	1,044.73
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	1,044.73	-	1,044.73	-	1,044.73

Notes:

1 During earlier years and during the year ended March 31, 2021, the Company sold financial assets amounting to Rs. 1,325.00 million (net of losses) and Rs. 721.78 million (net of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 1,044.87 million and Rs. 613.53 million 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 the Company's financial statements. Edelweiss Financial Services Limited (EFSL), the holding company and Edelweiss Rural and Corporate Services Limited (RCSL), a fellow subsidiary, had undertaken substantially all risks and rewards amounting to Rs. 924.71 million and Rs. 542.69 million respectively for earlier years and for the year ended March 31, 2021 in respect of such financial assets. As a result, these Security Receipts are recognised under Other Financial Assets in Company's financial statements.

Based on a review performed by the Company's management and EFSL, with effect from January 1, 2021, EFSL has directly undertaken substantially all risks and rewards and consequently RCSL is relieved of its obligations. Further, pursuant to such review, certain terms and conditions of risk and rewards agreements have been amended with effect from January 1, 2021. The Board of Directors of the Company in the meeting held on June 4, 2021 have approved such amendments to the said agreements. Further, the amendments to the said agreement shall be placed by the management of RCSL and EFSL in their respective ensuing Board of Directors' meeting for review and approval.

2 Pursuant to amendments in risk and rewards agreement (as mentioned in note 1 above) between the Company, RCSL and EFSL, with effect from January 1, 2021, fees payable on these security receipts (ARC Fees) has been agreed to be borne by EFSL, as substantially all risks and rewards are undertaken by EFSL. Accordingly, an amount of Rs. 12.06 million towards such expenses has been recorded by EFSL. Accordingly, loss before tax of the Company for the year ended March 31, 2021 is lower by Rs. 12.06 million.



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>12 Other financial assets</b> (unsecured, considered good)		
Security Deposits	205.33	208.13
Deposits placed with exchange depositories	30.00	30.00
Advances to others	681.42	6.79
	<b>916.75</b>	<b>244.92</b>
<b>13 Current tax assets (net)</b>		
Advance income taxes (net of provision for tax Rs.337.65 million, previous year Rs. 200.50 million)	21.86	7.38
	<b>21.86</b>	<b>7.38</b>
<b>14 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<u>Loans</u>		
Provision for Expected credit loss	136.84	100.55
Unamortised processing fees - EIR on lending	31.98	55.03
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	11.26	9.46
<u>Employee benefit obligations</u>		
Provision for compensated absences	1.24	0.96
Disallowances under section 43B of the Income Tax Act, 1961	18.25	5.12
<u>Unused tax losses</u>		
Lease liability	30.59	45.96
Others	32.40	0.07
	<b>262.56</b>	<b>217.15</b>
<b>Deferred tax liabilities</b>		
<u>Investments and other financial instruments</u>		
Unamortised loan origination costs - EIR on lending	25.86	50.23
Recognition of Interest Strip on assignment deals	107.87	83.13
Accrued Interest on Stage 3 receivables	1.87	6.18
<u>Borrowings</u>		
Effective interest rate on financial liabilities	13.52	17.36
Right-of-use Asset (ROU)	23.92	39.00
Special Reserve u/s 36(1) (viii)	98.70	-
	<b>271.74</b>	<b>195.90</b>
	<b>(9.18)</b>	<b>21.25</b>

Note: For disclosure relating to movement of deferred tax assets/ liabilities, refer note 36.3



15 Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block As at March 31, 2021
	As at April 1, 2020	Additions during the year	Disposals during the year	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021
<b>Property, Plant and Equipment</b>							
Land*	1.21	-	-	-	-	-	1.21
Leasehold improvements	29.87	-	11.79	12.05	5.15	6.50	7.38
Furniture and Fixtures	14.60	1.37	7.32	6.59	2.06	4.30	4.30
Vehicles	0.32	-	-	0.23	-	-	0.09
Office equipment	18.47	0.18	7.64	11.35	2.85	6.05	2.86
Computers	62.39	0.81	4.35	47.77	7.44	3.71	7.35
Right-of-use Asset (ROU)	196.18	19.56	43.50	41.22	35.93	-	95.09
<b>Total</b>	<b>323.04</b>	<b>21.92</b>	<b>74.60</b>	<b>119.21</b>	<b>53.43</b>	<b>20.56</b>	<b>118.28</b>

16 Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block As at March 31, 2021
	As at April 1, 2020	Additions during the year	Disposals during the year	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021
<b>Other Intangible Assets</b>							
Software	14.17	1.78	-	10.71	2.97	-	2.27
<b>Total</b>	<b>14.17</b>	<b>1.78</b>	<b>-</b>	<b>10.71</b>	<b>2.97</b>	<b>-</b>	<b>2.27</b>

Note:

\*Charged against secured redeemable non-convertible debentures



**Edelweiss Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2021 (Continued)**  
(Currency : Indian rupees in millions)

15. Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block		
	As at April 1, 2019	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Transition impact of Ind AS 116	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2020
Property, Plant and Equipment											
Land*	1.21	-	-	-	1.21	-	-	-	-	-	1.21
Leasehold improvements	22.20	-	13.17	5.50	29.87	8.24	-	8.24	4.43	12.05	17.82
Furniture and Fixtures	12.64	-	3.04	1.08	14.60	4.31	-	3.11	0.83	6.59	8.01
Vehicles	1.79	-	-	1.47	0.32	0.96	-	0.19	0.92	0.23	0.09
Office equipment	14.99	-	5.22	1.74	18.47	6.66	-	6.13	1.44	11.35	7.12
Computers	64.96	-	3.48	6.05	62.39	36.63	-	15.87	4.73	47.77	14.62
Right-of-use Asset (ROU)**	-	179.04	17.41	0.27	196.18	-	-	41.49	0.27	41.22	154.96
Total	117.79	179.04	42.32	16.11	323.04	56.80	-	75.03	12.62	119.21	203.83

16. Other Intangible Assets (Previous Year)

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block		
	As at April 1, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at March 31, 2020	As at March 31, 2020		
Other Intangible Assets											
Software	12.19	-	1.98	-	14.17	6.86	-	3.85	-	10.71	3.46
Total	12.19	-	1.98	-	14.17	6.86	-	3.85	-	10.71	3.46

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 179.04 million and a lease liability of Rs 198.53 million with a corresponding deferred tax asset of Rs 6.81 million. The cumulative effect of applying the standard thus resulted in Rs 12.68 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 periods 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 52.11 million whereas depreciation and amortisation expense has increased by Rs 41.49 million and finance cost has increased by Rs 18.78 million for the year ended March 31, 2020 consequent to adoption of Ind AS 116. This has had an impact on deferred tax credit by Rs. 0.10 million for the year ended March 31, 2020. Also, total assets have increased by Rs 154.96 million and total liabilities have increased by Rs 182.62 million as at March 31, 2020.



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>17 Other non-financial assets</b>		
Input tax credit (Goods and Services Tax)	65.99	38.53
Prepaid expenses	47.63	9.75
Advance to vendors	4.90	2.88
Advances to employees	2.22	2.52
Advances recoverable in cash or in kind or for value to be received	13.59	0.00
	<b>134.33</b>	<b>53.68</b>
<b>18 Trade Payables</b>		
Trade payables to non-related parties	51.63	56.56
Trade payables to related parties - (Refer note 43)	20.65	28.81
	<b>72.28</b>	<b>85.37</b>
Notes:		
(i) Total outstanding dues to creditors other than micro enterprises and small enterprises	72.28	85.37
(ii) Total outstanding dues of micro enterprises and small enterprises	-	-
<b>19 Debt securities (In India)</b> (At amortised cost)		
Non-convertible redeemable debentures (Secured)		
Privately Placed Non-convertible debentures	7,258.15	5,422.98
Publicly Placed Non-convertible debentures	4,418.60	4,668.59
	<b>11,676.75</b>	<b>10,091.57</b>

Note: For disclosure relating to repayment and other terms, refer note 50



Edelweiss Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>20 Borrowings other than debt securities (In India)</b> (At amortised cost)		
<b>Term loans (secured)</b>		
- From Banks	18,738.53	24,664.39
- From National Housing Bank	2,540.58	2,384.83
	<b>21,279.11</b>	<b>27,049.22</b>
Note: For disclosure relating to repayment and other terms, refer note 49		
<b>Bank overdraft (secured)</b>	149.27	629.69
[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-21: 8.50% - 10.25%, March-20: 9.25% - 10.50%)		
<b>Working capital demand loan (WCDL)</b>	1,200.00	300.00
[Secured by charge on receivables from financing business] WCDL is in nature of short term loan. (Interest rate range, March-21: 8.50% - 10.25%, March-20: 9.25% - 10.50%)		
<b>Loan from related parties (Unsecured)</b>	-	13.11
(Repayable on demand, Interest rate payable @ 11.00% - 12.25%, previous year 11.00%)		
	<b>22,628.38</b>	<b>27,992.02</b>
<b>21 Subordinated liabilities (In India)</b> (At amortised cost)		
Non-convertible subordinated debentures (Unsecured)	508.61	508.61
	<b>508.61</b>	<b>508.61</b>
Note: For disclosure relating to repayment and other terms, refer note 51		
<b>22 Other financial liabilities</b>		
Liability on assigned loans under PCG scheme	5,266.66	3,554.54
Amount payable on assigned loans	399.26	189.03
Other payables	0.23	17.39
Book overdraft	542.18	-
Payable to employees	43.27	5.23
Lease liabilities (Ind AS 116)	121.54	182.61
	<b>6,373.14</b>	<b>3,948.80</b>



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>23 Current tax liabilities (net)</b>		
Provision for taxation (net of advance tax Rs. 848.52 million, previous year Rs. 939.00 million)	16.90	106.03
	<u>16.90</u>	<u>106.03</u>
<b>24 Provisions</b>		
Provision for employee benefits (Refer note 40)		
Gratuity	32.51	20.34
Compensated leave absences	4.94	3.81
Provision for expenses	0.17	1.19
	<u>37.62</u>	<u>25.34</u>
<b>25 Other non-financial liabilities</b>		
Revenue received in advance	1.81	3.20
Payable to others	337.66	42.11
Statutory dues payable	20.79	14.47
	<u>360.26</u>	<u>59.78</u>



	As at March 31, 2021	As at March 31, 2020
<b>26 Equity share capital</b>		
<b>Authorised :</b>		
7,50,00,000 (Previous year: 7,50,00,000) equity shares of Rs. 10 each	750.00	750.00
	<u>750.00</u>	<u>750.00</u>
<b>Issued, Subscribed and Paid up:</b>		
6,93,50,000 (Previous year: 6,93,50,000) Equity shares of Rs. 10, fully paid-up	693.50	693.50
	<u>693.50</u>	<u>693.50</u>

**(a) Movement in share capital :**

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	6,93,50,000	693.50	6,93,50,000	693.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>6,93,50,000</u>	<u>693.50</u>	<u>6,93,50,000</u>	<u>693.50</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. 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, 2021		As at March 31, 2020	
	No of shares	%	No of shares	%
<b>Ultimate Holding / Holding company</b>				
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	3,83,00,000	55.23%
Edelweiss Financial Services Limited, the ultimate holding company	2,10,50,000	30.35%	2,10,50,000	30.35%
<b>Fellow subsidiaries</b>				
Edel Finance Company Limited	1,00,00,000	14.42%	1,00,00,000	14.42%
	<u>6,93,50,000</u>	<u>100.00%</u>	<u>6,93,50,000</u>	<u>100.00%</u>

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

	As at March 31, 2021	As at March 31, 2020
<b>27 Other Equity</b>		
Securities Premium	4,075.18	4,075.18
Statutory Reserve	547.80	540.34
Debenture Redemption Reserve	341.32	469.25
Deemed capital contribution - Equity	33.46	33.46
Retained Earnings	1,936.62	1,879.01
	<u>6,934.38</u>	<u>6,997.24</u>

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

**27.1 Nature and purpose of Reserves**

**(a) 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.

**(b) Reserve under section 29C of the National Housing Bank Act, 1987**

Reserve created under section 29C of National Housing Bank Act, 1987 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.

**(c) 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.

**(d) 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.

**(e) Retained Earnings**

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



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>28 Interest Income (at amortised cost)</b>		
Interest on Loans	4,451.55	5,511.22
Interest income from investments	38.92	-
Interest on deposits with bank	170.18	54.40
Other interest income	21.93	0.95
Income on direct assignment	344.08	87.83
	<u>5,026.66</u>	<u>5,654.40</u>
<b>29 Fee and commission income</b>		
Fee and commission income	341.46	357.15
	<u>341.46</u>	<u>357.15</u>
<b>30 Net gain on fair value changes (Realised)</b>		
<b>On trading portfolio</b>		
Gain on buy back of debt securities (amortised cost)	61.58	-
Profit on sale of mutual fund units (FVTPL)	22.32	34.79
Profit on sale of equity shares (FVTPL)	9.46	-
Profit on sale of debt instruments (FVTPL)	23.89	4.88
	<u>117.25</u>	<u>39.67</u>
<b>31 Other income</b>		
Other non operating income	23.37	22.68
	<u>23.37</u>	<u>22.68</u>



Edelweiss Housing Finance Limited

Notes to the financial statements for the year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>32 Finance costs (at amortised cost)</b>		
Interest on borrowings	2,475.41	3,076.59
Interest on assignment liability (PCG scheme)	270.35	71.61
Interest on debt securities	1,054.47	941.25
Interest on subordinated liabilities	56.25	56.38
Other interest expense (including bank charges)	21.47	28.74
Interest on lease liabilities	14.88	18.78
	<b>3,892.83</b>	<b>4,193.35</b>
<b>33 Impairment on financial instruments</b>		
Loss on sale of loan assets sold to assets reconstruction company	359.27	317.47
Bad debts and advances written off	62.97	42.75
Provision for expected credit loss (at amortised cost) (including on loan commitments)	89.16	46.84
	<b>511.40</b>	<b>407.06</b>
	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>34 Employee benefit expenses</b>		
Salaries and wages	514.63	626.43
Contribution to provident and other funds	19.77	29.39
Gratuity Expense (refer note 40)	6.75	3.94
Share based payments to employees (Refer note below)	(0.90)	9.61
Staff welfare expenses	17.77	21.34
	<b>558.02</b>	<b>690.71</b>

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 Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>35 Other expenses</b>		
Advertisement and business promotion	0.08	5.90
Commission and brokerage	0.23	0.40
Communication	6.10	13.70
Directors' sitting fees	0.78	0.80
Legal and professional fees	134.55	80.78
Printing and stationery	4.40	5.79
Loan origination costs amortised	125.22	190.70
Rent, rates and taxes	63.30	69.09
Repairs and maintenance	4.67	6.95
Electricity charges	6.15	9.32
Computer expenses	20.84	19.21
Corporate social responsibility (refer note 35.2)	15.79	21.94
Rating support fees	8.81	7.13
Office expenses	79.02	133.03
Postage and courier	1.94	3.03
Goods and Service tax expenses	60.92	88.39
Stamp duty	14.15	0.32
Auditors' remuneration (refer note 35.1)	6.98	5.63
Travelling and conveyance	6.87	27.26
Miscellaneous expenses	11.81	20.90
Donation	-	10.00
	<b>572.61</b>	<b>720.27</b>
<b>35.1 Auditors' remuneration:</b>		
<b>As an Auditor</b>		
Statutory Audit	2.50	2.95
Limited Review	1.50	1.05
Certification	2.88	1.52
Towards reimbursement of expenses	0.10	0.11
	<b>6.98</b>	<b>5.63</b>
<b>35.2 Details of CSR Expenditure:</b>		
As per the provisions of Section 135 of Companies Act 2013.		
Gross Amount required to be spent by the Company	15.79	21.94
<b>Amount Spent (paid in cash)</b>		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	15.79	21.94
<b>Amount Spent (yet to be paid in cash)</b>		
Construction/ Acquisition of any assets	-	-
on purpose other than (i) above	-	-
	<b>15.79</b>	<b>21.94</b>



36 Income tax

36.1 The components of income tax expense:

	For the period ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>	<b>39.21</b>	<b>99.23</b>
Adjustment in respect of current income tax of prior years	(90.46)	(10.57)
Deferred tax relating to origination and reversal of temporary differences	(66.76)	(140.40)
MAT credit entitlement	-	19.82
<b>Total tax charge</b>	<b>(118.01)</b>	<b>(31.92)</b>
Current tax	(51.25)	88.66
Deferred tax	(66.76)	(120.58)

36.2 Reconciliation of total tax charge

	For the period ended March 31, 2021	For the year ended March 31, 2020
<b>Accounting profit before tax as per financial statements</b>	<b>(80.72)</b>	<b>(16.37)</b>
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	(20.32)	(4.12)
Adjustment in respect of current income tax of prior years	(90.46)	(14.89)
<b>Effect of income not subject to tax:</b>		
Tax break of deduction u/s 36(1)(viii) of Income tax Act, 1961	(0.76)	(0.79)
Income on closure of leases	(3.43)	-
Adjustment on account of Valuation of Securities (ICDS)	(0.79)	-
Deduction u/s 35D of Income tax Act, 1961	(0.08)	(0.18)
<b>Effect of non-deductible expenses:</b>		
Penalties	-	-
Others	(2.18)	15.89
Impact of tax rate changes (between two accounting periods)	-	(27.83)
<b>Tax charge for the year recorded in P&amp;L</b>	<b>(118.01)</b>	<b>(31.92)</b>
<b>Effective tax rate</b>	<b>146.20%</b>	<b>194.99%</b>



36 Income tax

36.3 Movement of Deferred Tax assets / (liabilities)

For the Year Ended March 31, 2021

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
<b>Deferred taxes in relation to:</b>						
<b>Deferred Tax Assets</b>						
Provision for expected credit loss	100.55	36.29	-	-	36.29	136.84
Effective interest rate on financial assets	4.80	1.32	-	-	1.32	6.12
Retirement Benefits	6.08	12.67	0.74	-	13.41	19.49
Difference between book and tax WDV (including intangibles)	9.46	1.80	-	-	1.80	11.26
Lease liability	45.96	(15.37)	-	-	(15.37)	30.59
Others	0.07	32.33	-	-	32.33	32.40
<b>Deferred Tax Liabilities</b>						
Stage 3 Income recognition	(6.18)	4.31	-	-	4.31	(1.87)
Interest spread on assignment transactions	(83.13)	(24.74)	-	-	(24.74)	(107.87)
Effective interest rate on financial Liabilities	(17.36)	3.84	-	-	3.84	(13.52)
Special Reserve u/s 36(1) (viii)	-	(0.76)	-	(97.94)	(98.70)	(98.70)
Right-of-use Asset (ROU)	(39.00)	15.07	-	-	15.07	(23.92)
	<b>21.25</b>	<b>66.76</b>	<b>0.74</b>	<b>(97.94)</b>	<b>(30.44)</b>	<b>(9.18)</b>

For the Year Ended March 31, 2020

Deferred taxes in relation to:

Deferred Tax Assets

Provision for expected credit loss	116.36	(15.81)	-	-	(15.81)	100.55
Effective interest rate on financial assets	(3.55)	8.35	-	-	8.35	4.80
Retirement Benefits	6.47	(0.75)	0.36	-	(0.39)	6.08
Difference between book and tax WDV (including intangibles)	8.83	0.63	-	-	0.63	9.46
Lease liability	-	(23.42)	-	69.38	45.96	45.96
Others	-	0.07	-	-	0.07	0.07

Deferred Tax Liabilities

Stage 3 Income recognition	(25.91)	19.73	-	-	19.73	(6.18)
Interest spread on assignment transactions	(193.21)	110.08	-	-	110.08	(83.13)
Effective interest rate on financial Liabilities	(35.32)	17.96	-	-	17.96	(17.36)
MAT Credit Entitlement	19.82	(19.82)	-	-	(19.82)	-
Right-of-use Asset (ROU)	-	23.56	-	(62.56)	(39.00)	(39.00)

Total

	<b>(106.51)</b>	<b>120.58</b>	<b>0.36</b>	<b>6.82</b>	<b>127.76</b>	<b>21.25</b>
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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. The Company has also re-measured its deferred tax assets / liabilities (net) for the year ended March 31, 2020 on the basis of the rate prescribed in the aforesaid section resulting in tax charge reduction by Rs. 27.83 million.



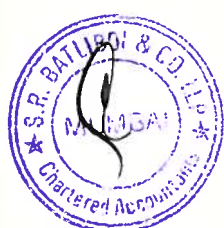
## 37 Cash Flow Disclosure

## Change in Liabilities arising from financing activities

Particulars	As at March 31, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	10,091.57	1,793.02	-	(207.84)	11,676.75
Borrowings other than Debt Securities	27,992.02	(5,360.01)	-	(3.63)	22,628.38
Subordinated Liabilities	508.61	-	-	-	508.61
	<b>38,592.20</b>	<b>(3,566.99)</b>	<b>-</b>	<b>(211.47)</b>	<b>34,813.74</b>

Particulars	As at March 31, 2019	Cash Flows	Changes in Fair value	Others*	As at March 31, 2020
Debt Securities	12,582.50	(2,568.86)	-	77.93	10,091.57
Borrowings other than Debt Securities	31,634.95	(3,573.68)	-	(69.25)	27,992.02
Subordinated Liabilities	508.48	-	-	0.13	508.61
	<b>44,725.93</b>	<b>(6,142.54)</b>	<b>-</b>	<b>8.81</b>	<b>38,592.20</b>

\*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.



**Edelweiss Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2021 (Continued)**  
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**38. Earnings per Share**

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to Equity holders of the Company - A	37.29	15.55
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	69.35	69.35
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	69.35	69.35
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	69.35	69.35
Nominal value of equity shares	10.00	10.00
Basic and diluted earnings per share (in rupees) (A/B)	0.54	0.22

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.

**39. Contingent Liability and Commitment:**

**(a) Contingent Liability**

	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	8.05	7.63
Loan sanctioned pending disbursements	1,281.26	484.19



#### 40 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. 25.04 millions (March 31, 2020 : Rs 32.76 Millions) for provident fund 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 are carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, are 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, 2021	As at March 31, 2020
Present value of defined benefit obligations (A)	32.51	20.34
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	32.51	20.34
Net deficit (assets) are analysed as:		
Liabilities	32.51	20.34
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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(i) Present value of defined benefit obligations (opening)	20.34	14.97	-	-	20.34	14.97
Current service cost	5.24	4.22	-	-	5.24	4.22
Past service cost	-	-	-	-	-	-
Interest cost	1.50	1.09	-	-	1.50	1.09
	27.08	20.28	-	-	27.08	20.28
(ii) Other comprehensive Income						
Remeasurement Actuarial loss (gain) arising from :						
Experience	0.36	(0.36)	-	-	0.36	(0.36)
Financial and demographic assumptions	2.59	1.80	-	-	2.59	1.80
Expected return from plan assets	-	-	-	-	-	-
	2.95	1.44	-	-	2.95	1.44
(iii) Others						
Transfer In (Out)	6.99	1.19	-	-	6.99	1.19
Contributions by Employer	-	-	-	-	-	-
Benefits paid	(4.51)	(2.57)	-	-	(4.51)	(2.57)
	2.48	(1.38)	-	-	2.48	(1.38)
(iv) Closing Balance (i) + (ii) + (iii)	32.51	20.34	-	-	32.51	20.34
Represented by:						
Net defined benefit asset					-	-
Net defined benefit liability					32.51	20.34



40 Retirement and other employee benefits

Components of defined benefit plan cost:

	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Recognised in Statement of profit or loss		
Current service cost	5.24	4.22
Interest cost	1.50	1.09
Expected return on plan assets	-	-
Past service cost	-	-
	<u>6.74</u>	<u>5.31</u>
(ii) Recognised in other comprehensive income		
Remeasurement of net defined benefit liability (asset)	2.95	1.44
Return on plan assets excluding net interest	-	-
	<u>2.95</u>	<u>1.44</u>
<b>Total (i) + (ii)</b>	<b>9.69</b>	<b>6.75</b>

Actuarial assumptions:

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

	As at March 31, 2021	As at March 31, 2020
Discount Rate	5.00%	5.50%
Salary Growth Rate	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	25.00%	13% to 50%
Expected return on plan Assets (p.a)	5.50%	6.70%
Mortality Rate	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)
Expected weighted average remainin working lives of employees	3 Years	3 Years

Sensitivity analysis:

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+ - 1%)	1.31	(1.23)	0.78	(0.74)
Discount Rate (+ - 1%)	(1.24)	1.34	(0.74)	0.80
Withdrawal Rate (+ - 1%)	(0.10)	0.11	(0.05)	0.05
Mortality (increase in expected lifetime by 1 year)	2		1	
Mortality (increase in expected lifetime by 3 year)	5		3	

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

Asset liability comparisons:

	As at March 31, 2021	As at March 31, 2020
Present value of DBO	32.51	20.34
Fair Value of Plan assets	-	-
Net (Assets) Liability	32.51	20.34

(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.



41. Maturity Analysis of assets and liabilities

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	9,455.81	-	9,455.81	4,929.16	-	4,929.16
Bank balances other than cash and cash equivalents	817.99	17.31	835.30	701.49	37.83	739.32
Securities held for trading	155.83	-	155.83	-	-	-
Trade receivables	104.02	-	104.02	58.46	-	58.46
Loans	7,963.09	27,995.50	35,958.59	8,521.10	34,679.52	43,200.62
Investments	-	1,600.86	1,600.86	-	1,044.73	1,044.73
Other financial assets	520.91	395.84	916.75	-	244.92	244.92
<b>Non-financial assets</b>						
Current tax assets (net)	-	21.86	21.86	-	7.38	7.38
Deferred tax assets (net)	-	-	-	-	21.25	21.25
Property, plant and equipment	-	118.28	118.28	-	203.83	203.83
Intangible assets under development	-	7.10	7.10	-	1.45	1.45
Other intangible assets	-	2.27	2.27	-	3.46	3.46
Other non- financial assets	134.33	-	134.33	53.68	-	53.68
<b>Total Assets</b>	<b>19,151.98</b>	<b>30,159.02</b>	<b>49,311.00</b>	<b>14,263.89</b>	<b>36,244.37</b>	<b>50,508.26</b>
<b>Financial Liabilities</b>						
Trade payables	72.28	-	72.28	85.37	-	85.37
Debt securities	4,217.33	7,459.42	11,676.75	1,250.11	8,841.46	10,091.57
Borrowings (other than debt securities)	9,088.06	13,540.32	22,628.38	8,699.66	19,292.36	27,992.02
Subordinated liabilities	8.61	500.00	508.61	8.61	500.00	508.61
Other financial liabilities	2,160.97	4,212.17	6,373.14	1,058.77	2,890.03	3,948.80
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	16.90	-	16.90	106.03	-	106.03
Provisions	37.62	-	37.62	25.34	-	25.34
Deferred tax liabilities (net)	-	9.18	9.18	-	-	-
Other non-financial liabilities	360.26	-	360.26	59.78	-	59.78
<b>Total Liabilities</b>	<b>15,962.02</b>	<b>25,721.10</b>	<b>41,683.12</b>	<b>11,293.67</b>	<b>31,523.85</b>	<b>42,817.52</b>
<b>Net</b>	<b>3,189.96</b>	<b>4,437.92</b>	<b>7,627.88</b>	<b>2,970.22</b>	<b>4,720.52</b>	<b>7,690.74</b>



#### 42 Segment Information

The Company is operating under single business segment i.e. to provide loans for purchase or construction of residential houses, loan against properties and loans to real estate developers. 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.

#### 43 Related Party Disclosures

##### i. List of related parties and relationship:

Name of related parties by whom control is exercised :

Holding Company	Edelweiss Rural & Corporate Services Limited
Ultimate Holding Company	Edelweiss Financial Services Limited
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Asset Reconstruction Company Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Gallagher Insurance Brokers Limited Edelweiss Alternative Asset Advisors Limited Edelweiss General Insurance Company Limited Edelweiss Insurance Brokers Limited Edelweiss Asset Management Limited Edelweiss Retail Finance Limited Edel Finance Company Limited Edelweiss Comtrade Limited Edelcap Securities Limited Ecap Equities Limited ECL Finance Limited EdelGive Foundation Edel Land Limited Edelweiss Finance & Investments Limited (Up to March 26, 2021) Edelweiss Investment Advisors Limited (Up to March 26, 2021) Edelweiss Custodial Services Limited (Up to March 26, 2021) Edelweiss Securities Limited (Up to March 26, 2021) Edelweiss Broking Limited (Up to March 26, 2021)
Fellow Associates (From March 26, 2021)	Edelweiss Finance & Investments Limited Edelweiss Investment Advisors Limited Edelweiss Custodial Services Limited Edelweiss Securities Limited Edelweiss Broking Limited
Independent Director	Mr. P.N. Venkatachalam Mr. Vaidyanathan P (upto Feb 3, 2020) Mrs. Vijayalakshmi Rajaram Iyer (upto Feb 11, 2019) Mr. Sunil Phatarphekar (From April 13, 2020) Mr. Biswamohan Mahapatra (From October 29, 2020)
Key Management Personnel (with whom transactions have taken place)	Mr. Rajat Avasthi (Managing Director & CEO) (From September 3, 2020) Mr. Krishnaswamy Siddharth (Executive Director & CRO effective October 1, 2019) Mr. Manish Dhanuka (Chief Financial Officer) (From July 3, 2020) Mr. Manjeet Bijlani (Chief Financial Officer upto April 14, 2020) Mr. Sagar Tawre (Company Secretary upto Jul 12, 2019) Ms. Riddhi Parekh (Company Secretary)

##### ii. Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Capital Account Transactions:</b>			
Short term loans taken from	<i>Maximum transaction during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	1,806.24
	Edelweiss Retail Finance Limited	-	2,000.00
	ECL Finance Limited	250.00	-
	<i>Volume of transactions during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	15,496.72
	Edelweiss Retail Finance Limited	-	5,748.00
	ECL Finance Limited	250.00	-
	<i>Short term loans repaid to</i>		
	<i>Maximum transaction during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	1,550.00
	Edelweiss Retail Finance Limited	13.00	1,190.00
	ECL Finance Limited	250.00	-
	<i>Volume of transactions during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	15,497.26
	Edelweiss Retail Finance Limited	13.00	5,735.00
	ECL Finance Limited	250.00	-



43 Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Short term loans given to	<i>Maximum transaction during the year</i>		
	ECL Finance Limited	1,500.00	2,500.00
	Edelweiss Rural & Corporate Services Limited	800.00	-
	Edelweiss Retail Finance Limited	4,000.00	-
	<i>Volume of transactions during the year</i>		
	ECL Finance Limited	6,010.00	7,890.00
	Edelweiss Rural & Corporate Services Limited	800.00	-
	Edelweiss Retail Finance Limited	20,830.00	-
Short term loans repaid by	<i>Maximum transaction during the year</i>		
	ECL Finance Limited	2,000.00	2,000.00
	Edelweiss Retail Finance Limited	4,000.00	-
	Edelweiss Rural & Corporate Services Limited	800.00	-
	<i>Volume of transactions during the year</i>		
	ECL Finance Limited	5,020.00	7,880.00
	Edelweiss Retail Finance Limited	20,830.00	-
	Edelweiss Rural & Corporate Services Limited	800.00	-
Loan portfolio purchase under direct assignment	ECL Finance Limited	1,937.86	-
	Edelweiss Retail Finance Limited	1,769.67	-
Security deposit placed with	ECap Equities Limited	-	80.00
	Edelweiss Rural & Corporate Services Limited	-	100.00
Loan sold to ARC trust	Edelweiss Asset Reconstruction Company Limited	26.80	1,325.00
Investment in Security Receipt issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 378	22.78	-
	EARC Trust SC 401	-	981.75
	EARC Trust SC 374	-	62.98
Purchase of bonds from	ECL Finance Limited	83.64	-
Sale of bonds to	ECL Finance Limited	2,144.87	-
Redemption of bonds held in	Edelweiss Retail Finance Limited	250.00	-
<b>Current Account Transactions:</b>			
Interest Expenses on loan from	Edelweiss Rural & Corporate Services Limited	-	53.82
	Edelweiss Retail Finance Limited	0.28	112.07
	ECL Finance Limited	0.50	-
Interest Income on loan to	ECL Finance Limited	8.39	14.25
	Edelweiss Retail Finance Limited	32.91	-
	Edelweiss Rural & Corporate Services Limited	17.21	-
Interest Income on security deposit to	ECap Equities Limited	9.68	0.32
	Edelweiss Rural & Corporate Services Limited	12.10	0.40
Interest Expenses on Non convertible Debentures	Edelweiss Rural & Corporate Services Limited	-	0.08
	Edelweiss Finance & Investments Limited	0.02	0.02
	ECL Finance Limited	3.66	0.21
	Edelweiss Retail Finance Limited	0.24	-
Interest Income on non convertible debentures	ECL Finance Limited	18.50	-
	Edelweiss Rural & Corporate Services Limited	9.56	-
	Edelweiss Retail Finance Limited	10.85	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	9.12	21.16
	Edelweiss Rural & Corporate Services Limited	10.00	13.34
	ECap Equities Limited	0.44	0.11
	Edelweiss Securities Limited	0.66	1.00
	Edel Land Limited	3.03	-
	ECL Finance Limited	0.09	-
	Edelweiss Investment Advisors Limited	-	0.94
ESOP cost reimbursement	Edelweiss Financial Services Limited	1.84	14.59
Cost reimbursement received from	ECL Finance Limited	-	4.48
	Edelweiss Broking Limited	0.17	0.03
Service fee received from	Edelweiss Retail Finance Limited	0.02	0.03
	ECL Finance Limited	0.11	0.16
Service charges paid	Edelweiss Retail Finance Limited	0.66	-
	ECL Finance Limited	0.95	-



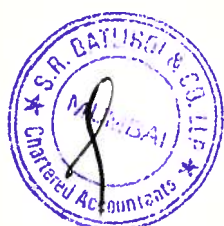
43 Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Shared premises cost paid to	ECL Finance Limited	7.42	11.20
	Edelweiss Retail Finance Limited	23.97	20.01
	Ecap Equities Limited	17.14	17.55
	Edelweiss Broking Limited	-	1.33
	Edelweiss Securities Limited	0.01	0.07
	Edelweiss Rural & Corporate Services Limited	14.15	11.76
	Edelweiss Asset Management Limited	0.00	0.03
	Edelweiss Comtrade Limited	-	0.10
Shared premises cost received from	Edelweiss Insurance Brokers Limited	0.03	-
	Edelweiss Custodial Services Limited	0.18	0.14
	Edelweiss Broking Limited	0.05	-
	Edelweiss General Insurance Company Limited	1.26	0.08
Corporate Guarantee support fee paid to	Edel Land Limited	0.01	-
Rating support fees paid to	Edelweiss Financial Services Limited	0.07	0.25
	Edelweiss Rural & Corporate Services Limited	0.15	-
Risk and reward sharing fee expense	Edelweiss Rural & Corporate Services Limited	3.50	0.11
	Edelweiss Financial Services Limited	1.17	-
ARC Management Fee received from	Edelweiss Financial Services Limited	12.06	-
Professional fees paid to	Edelweiss Rural & Corporate Services Limited	0.30	-
	Edelweiss Financial Services Limited	0.06	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	55.69	3.02
Management Fees received from	Edelweiss Financial Services Limited	8.05	-
Commission and brokerage paid to	Edelweiss Investment Advisors Limited	-	0.71
Enterprise service charge paid to	Edelweiss Rural & Corporate Services Limited	-	55.80
	Edelweiss Financial Services Limited	-	8.36
Corporate Cost	Edelweiss Rural & Corporate Services Limited	44.42	14.40
	Edelweiss Financial Services Limited	15.01	17.78
Director Sitting fees	Mr. P. N. Venkatachalam	0.40	0.48
	Mr. Vaidyanathan P	-	0.32
	Sunil Phatarphekar	0.28	-
	Biswanohan Mahapatra	0.10	-
Remuneration to	Mr. Rajar Avasthi	9.93	20.94
	Mr. Krishnaswamy Siddharth	2.34	5.79
	Mr. Manjeet Bijlani	0.73	7.22
	Mr. Sagar Tawre	-	0.31
	Ms. Riddhi Parekh	2.05	0.52
	Mr. Manish Dhanuka	4.49	-
Sale of Property, plant and equipment	ECL Finance Limited	0.03	0.73
	Edelweiss Finance & Investments Limited	0.03	-
	Edelweiss Alternative Asset Advisors Limited	-	0.04
	Edelweiss Asset Reconstruction Company Limited	-	0.02
	Edelweiss Broking Limited	0.16	0.17
	Edel Land Limited	0.02	-
	Edelweiss Financial Services Limited	0.01	0.00
	Edelweiss Insurance Brokers Limited	-	0.02
	Edelweiss Investment Advisors Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	0.07	1.24
	Edelweiss Securities Limited	0.03	0.09



43 Related Party Disclosures

Nature of Transaction	Related Party Name	As at March 31, 2021	As at March 31, 2020
Purchase of Property, plant and equipment	Edelweiss Securities Limited	0.00	0.03
	ECL Finance Limited	0.01	0.25
	Edelweiss Gallagher Insurance Brokers Limited	0.02	-
	Edelweiss Alternative Asset Advisors Limited	-	0.03
	Edelweiss Broking Limited	0.07	0.28
	Edelweiss Financial Services Limited	-	0.02
	Edelweiss Investment Advisors Limited	-	0.02
	Edelweiss Retail Finance Limited	0.01	0.05
	Edelweiss Rural & Corporate Services Limited	0.03	0.07
Advisory fees earned from	ECL Finance Limited	33.93	74.53
	Edelweiss Retail Finance Limited	9.00	-
CSR expenses paid to	EdelGive Foundation	15.79	21.94
Amount paid to broker for Cash segment	Edelweiss Securities Limited	193.15	-
Amount received from broker for Cash segment	Edelweiss Securities Limited	249.41	-
<b>Balances with related party</b>			
Non convertible debentures held by (Face value)	ECL Finance Limited	158.38	24.57
	Edelweiss Finance & Investments Limited	0.16	0.16
	Edelweiss Retail Finance Limited	7.60	-
Non convertible debentures held in (Face value)	Edelweiss Rural & Corporate Services Limited	72.00	-
Short term borrowings from	Edelweiss Retail Finance Limited	-	13.00
Interest Payable on Short term borrowings to	Edelweiss Retail Finance Limited	-	0.11
Short term loan given to	ECL Finance Limited	1,000.00	10.00
Interest Receivable on Short term borrowings from	ECL Finance Limited	1.57	11.90
	Edelweiss Retail Finance Limited	8.14	-
	Edelweiss Rural & Corporate Services Limited	3.43	-
Security deposit given including accrued interest	ECap Equities Limited	80.91	80.32
	Edelweiss Rural & Corporate Services Limited	101.14	100.40
Interest accrued but not due on Non convertible debentures held by	Edelweiss Finance & Investments Limited	0.01	0.01
	Edelweiss Retail Finance Limited	0.52	-
	ECL Finance Limited	11.29	1.72
Trade Payables to	Edelweiss Financial Services Limited	1.48	8.61
	Edelweiss Asset Reconstruction Company Limited	-	0.28
	ECL Finance Limited	4.60	4.35
	ECap Equities Limited	1.62	1.46
	Edelweiss Securities Limited	0.01	0.06
	Edelweiss Retail Finance Limited	1.87	2.15
	Edelweiss Alternative Asset Advisors Limited	0.90	-
	Edelweiss Broking Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	8.44	11.89
	Edelweiss Asset Management Limited	0.00	0.00
	Edel Land Limited	0.01	-
Other Payable to	Edelweiss Financial Services Limited	-	14.59
	Edelweiss Rural & Corporate Services Limited	-	0.04
Margin receivable from	Edelweiss Securities Limited	6.00	-



43 Related Party Disclosures

Nature of Transaction	Related Party Name	As at March 31, 2021	As at March 31, 2020
Trade Receivables from	ECL Finance Limited	13.56	9.74
	Edelweiss Financial Services Limited	13.33	0.01
	Edelweiss Retail Finance Limited	0.61	0.16
	Edelweiss Broking Limited	0.02	-
	Edelweiss Securities Limited	-	0.05
	Edelweiss Custodial Services Limited	0.02	0.01
	Edelweiss General Insurance Company Limited	0.15	0.08
	Edelweiss Comtrade Limited	0.02	0.02
	Edelweiss Rural & Corporate Services Limited	2.09	0.10
	Edelcap Securities Limited	-	0.00
	Edelweiss Finance & Investments Limited	0.02	0.89
	Edel Finance Company Limited	-	0.01
	Edelweiss Tokio Life Insurance Company Limited	0.00	0.04
Other Receivable from	Edelweiss Finance & Investments Limited	-	0.45
	ECL Finance Limited	-	4.57
	Edelweiss Financial Services Limited	0.90	-
Investment in Security Receipts issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 401	931.62	981.75
	EARC Trust SC 374	57.84	62.98
	EARC Trust SC 378	20.66	-
<b>Non-fund Based</b>			
Corporate Guarantee taken from	Edelweiss Financial Services Limited	1,890.58	2,384.83
	Edelweiss Rural & Corporate Services Limited	1,890.58	2,384.83
	Edel Land Limited	300.82	-
Risk and Rewards Guarantee taken from	Edelweiss Rural & Corporate Services Limited	-	924.59
	Edelweiss Financial Services Limited	1,446.13	

Notes:

- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 - Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, 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.
- The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended March 31, 2021 and March 31, 2020.



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

**44 Leases**

**44.1 Transition to Ind AS 116 on Lease**

<b>44.1. Set out below are the carrying amounts of right-of-use assets recognised and the movements</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Balance as at April 1	154.96	179.04
Addition	19.56	17.41
Lease pre-closure	(43.50)	-
Amortisation for the year	(35.93)	(41.49)
<b>Balance as at March 31</b>	<b>95.09</b>	<b>154.96</b>

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

Balance as at April 1	182.61	198.53
Additions/ reversal (net)	19.56	17.41
Interest on lease liabilities	14.88	18.78
Lease pre-closure	(57.13)	-
Repayment of lease obligation	(38.38)	(52.11)
<b>Balance as at March 31</b>	<b>121.54</b>	<b>182.61</b>

**44.3. Amounts recognised in profit or loss:**

Amortization of right-of-use assets	35.93	41.49
Interest expense on lease liabilities	14.88	18.78
Reversal of lease pre-closure	(13.63)	-
<b>Total</b>	<b>37.18</b>	<b>60.27</b>

**44.4. Total Cash outflow for leases:**

Cash outflow of long term leases	38.38	52.11
Cash outflow of short term leases	0.33	1.30
<b>Total</b>	<b>38.71</b>	<b>53.41</b>

**44.5. Details regarding the contractual maturities of lease liabilities, on an undiscounted basis:** **As at March 31, 2021** **As at March 31, 2020**

Less than 1 year	36.30	50.70
1-3 years	50.05	79.47
3-5 years	40.92	40.23
More than 5 years	22.83	29.49
<b>Total</b>	<b>150.10</b>	<b>199.89</b>

**45 Cost sharing**

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like, Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 34 and 35 include reimbursements paid and are net of reimbursements received based on the management's best estimates are Rs. 84.35 million (previous year Rs. 93.86 million)



#### 46. Risk Management

##### (a) Introduction and risk profile

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

The Company believes that effective risk management requires:

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

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

##### (b) Risk Management Structure

The Company have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Company has also established a 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 conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, Company follows conservative lending norms. The Company centralises the risk monitoring systems to monitor its 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 a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to, 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 its risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.



46. Risk Management

(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.



#### 46.1. 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:

<u>Internal rating grade</u>	<u>Internal grading description</u>	<u>Stages</u>
<b>Performing</b>		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
<b>Non-performing</b>		
Individually impaired	90+ dpd	Stage III

##### (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.



#### 46.1. 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."

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

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. 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.



#### 46.1. Credit Risk

##### (h) Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from various research database like Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database etc. 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.

##### (i) Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, 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 years.

##### (j) Impact of COVID-19

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 March 24, 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 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 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 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 continues 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.



**46.1.1. 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 10.

**Industry analysis**

As at March 31, 2021	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
<b>Financial assets</b>					
Cash and cash equivalent and other bank balances	10,291.11	-	-	-	10,291.11
Securities held for trading	155.83	-	-	-	155.83
Trade receivables	104.02	-	-	-	104.02
Loans	1,516.31	20,474.41	12,779.91	1,187.96	35,958.59
Investments	1,600.86	-	-	-	1,600.86
Other financial assets	916.75	-	-	-	916.75
	<b>14,584.88</b>	<b>20,474.41</b>	<b>12,779.91</b>	<b>1,187.96</b>	<b>49,027.16</b>
Loan Commitments	-	1,216.08	65.18	-	1,281.26
<b>Total</b>	<b>14,584.88</b>	<b>21,690.49</b>	<b>12,845.09</b>	<b>1,187.96</b>	<b>50,308.42</b>

As at March 31, 2020	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
<b>Financial assets</b>					
Cash and cash equivalent and other bank balances	5,668.48	-	-	-	5,668.48
Trade receivables	58.46	-	-	-	58.46
Loans	21.90	25,931.54	16,265.16	982.02	43,200.62
Investments	1,044.73	-	-	-	1,044.73
Other financial assets	244.92	-	-	-	244.92
	<b>7,038.49</b>	<b>25,931.54</b>	<b>16,265.16</b>	<b>982.02</b>	<b>50,217.21</b>
Loan Commitments	-	367.95	81.25	35.00	484.19
<b>Total</b>	<b>7,038.49</b>	<b>26,299.49</b>	<b>16,346.41</b>	<b>1,017.02</b>	<b>50,701.40</b>



46.1.2. 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, 2021	As at March 31, 2020	
<b>Financial assets</b>			
<b>Loans (at amortised cost):</b>			
Retail Loans	34,718.61	42,871.99	Property: book receivables
Wholesale Loan	218.48	709.00	Property: book receivables
<b>Total (A)</b>	<b>34,937.08</b>	<b>43,580.99</b>	
Loan commitments	1,281.26	484.19	Property: book receivables
<b>Total (B)</b>	<b>1,281.26</b>	<b>484.19</b>	
<b>Total (A + B)</b>	<b>36,218.34</b>	<b>44,065.18</b>	

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

As at March 31, 2021

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Retail Loan	1,275.82	129.86	1,145.96	1,850.70
Wholesale Loan	-	-	-	-
<b>Total (A)</b>	<b>1,275.82</b>	<b>129.86</b>	<b>1,145.96</b>	<b>1,850.70</b>
Loan commitments (Retail)	13.98	1.40	12.58	20.28
<b>Total (B)</b>	<b>13.98</b>	<b>1.40</b>	<b>12.58</b>	<b>20.28</b>
<b>Total (A + B)</b>	<b>1,289.80</b>	<b>131.26</b>	<b>1,158.54</b>	<b>1,870.98</b>

As at March 31, 2020

<b>Financial assets</b>				
Retail Loan	738.39	107.60	630.80	3,012.46
Wholesale Loan	22.18	2.81	19.37	90.00
<b>Total (A)</b>	<b>760.57</b>	<b>110.41</b>	<b>650.17</b>	<b>3,102.46</b>
Loan commitments	2.38	0.19	2.20	9.69
<b>Total (B)</b>	<b>2.38</b>	<b>0.19</b>	<b>2.20</b>	<b>9.69</b>
<b>Total (A + B)</b>	<b>762.95</b>	<b>110.60</b>	<b>652.37</b>	<b>3,112.15</b>



**46.1.3. 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, 2021	For the year ended March 31, 2020
Amortised costs of financial assets modified during the year	241.29	-
Net modification gain / (loss)	12.54	-

**46.1.4. Transfer of financial assets****(a) 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, 2021	As at March 31, 2020
<b>Securitisations</b>		
Carrying amount of transferred assets (held as Collateral)	5,339.87	3,591.91
Carrying amount of associated liabilities	5,288.95	3,564.76
Fair value of assets	5,588.36	3,591.91
Fair value of associated liabilities	5,288.95	3,564.76
Net position at FV	299.41	27.15



46.2. 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

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

As at March 31, 2021	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
<b>A. Financial Assets</b>											
Cash and cash equivalent and other bank balances	1,972.39	7,484.66	-	-	-	26.51	790.24	-	17.31	-	10,291.11
Securities held for trading	-	65.72	-	-	-	90.11	-	-	-	-	155.83
Trade receivables	-	-	-	104.02	-	-	-	-	-	-	104.02
Loans	-	573.41	203.95	878.57	1,146.76	2,571.99	6,045.49	16,906.17	7,120.66	29,818.88	65,265.88
Investments	-	-	-	-	-	-	-	-	-	1,600.86	1,600.86
Other financial assets	-	-	242.61	64.56	205.33	-	8.40	30.00	-	365.81	916.75
<b>Total undiscounted financial assets</b>	<b>1,972.39</b>	<b>8,123.79</b>	<b>446.56</b>	<b>1,047.15</b>	<b>1,352.09</b>	<b>2,688.61</b>	<b>6,844.13</b>	<b>16,936.17</b>	<b>7,137.97</b>	<b>31,785.58</b>	<b>78,334.45</b>
<b>B. Financial Liabilities</b>											
Trade payables	-	-	-	72.28	-	-	-	-	-	-	72.28
Debt securities	-	2.02	268.90	57.38	83.44	1,330.70	3,057.41	3,386.38	1,082.88	6,328.96	15,598.07
Borrowings (other than debt securities)	-	1,200.00	135.86	794.98	2,315.86	1,984.47	4,197.87	12,347.27	2,042.56	623.99	25,642.86
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	561.18	-	729.93
Other financial liabilities	-	271.09	938.20	81.93	157.91	235.69	476.15	1,622.71	304.56	2,281.90	6,373.11
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>1,473.11</b>	<b>1,342.96</b>	<b>1,006.57</b>	<b>2,557.21</b>	<b>3,550.86</b>	<b>7,787.68</b>	<b>17,468.86</b>	<b>3,991.18</b>	<b>9,237.85</b>	<b>48,416.28</b>
<b>Net financial assets / (liabilities)</b>	<b>1,972.39</b>	<b>6,650.68</b>	<b>(896.40)</b>	<b>40.58</b>	<b>(1,205.12)</b>	<b>(862.25)</b>	<b>(943.55)</b>	<b>(532.69)</b>	<b>3,146.79</b>	<b>22,547.73</b>	<b>29,918.17</b>

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2021 is Rs. 1,400.70 million.

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

Undrawn loan commitments	-	1,207.83	11.30	15.60	7.35	16.44	13.05	9.69	-	-	1,281.26
<b>Total</b>	<b>-</b>	<b>1,207.83</b>	<b>11.30</b>	<b>15.60</b>	<b>7.35</b>	<b>16.44</b>	<b>13.05</b>	<b>9.69</b>	<b>-</b>	<b>-</b>	<b>1,281.26</b>



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**46.2. Liquidity Risk**

**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
<b>A. Financial Assets</b>											
Cash and cash equivalent and other bank balances	745.40	4,183.76	-	-	47.23	72.41	581.61	20.61	17.46	-	5,668.18
Trade receivables	-	-	-	58.46	-	-	-	-	-	-	58.46
Loans	-	633.37	268.75	1,027.86	1,420.80	5,684.97	6,105.55	14,912.45	9,919.03	39,104.01	79,076.79
Investments	-	-	-	-	-	-	-	-	-	1,044.73	1,044.73
Other financial assets	-	-	-	-	-	-	6.79	238.13	-	-	244.92
<b>Total undiscounted financial assets</b>	<b>745.40</b>	<b>4,817.13</b>	<b>268.75</b>	<b>1,086.32</b>	<b>1,468.03</b>	<b>5,757.38</b>	<b>6,693.95</b>	<b>15,171.19</b>	<b>9,936.49</b>	<b>40,148.71</b>	<b>86,093.38</b>
<b>B. Financial Liabilities</b>											
Trade payables	-	-	-	85.37	-	-	-	-	-	-	85.37
Debt securities	-	-	12.37	139.80	564.32	233.55	739.23	5,192.59	1,096.61	7,117.42	15,095.89
Borrowings (other than debt securities)	13.11	-	194.82	317.23	2,418.28	2,578.63	5,377.41	16,027.43	5,759.21	929.60	33,615.72
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	112.50	505.09	786.31
Other financial liabilities	-	206.95	190.13	60.08	82.42	184.55	334.64	786.76	270.42	1,832.85	3,918.80
<b>Total undiscounted financial liabilities</b>	<b>13.11</b>	<b>206.95</b>	<b>397.32</b>	<b>602.48</b>	<b>3,065.02</b>	<b>2,996.73</b>	<b>6,507.53</b>	<b>22,119.28</b>	<b>7,238.74</b>	<b>10,381.96</b>	<b>53,532.12</b>
<b>Net financial assets / (liabilities)</b>	<b>732.29</b>	<b>4,610.18</b>	<b>(128.57)</b>	<b>483.84</b>	<b>(1,596.99)</b>	<b>2,760.65</b>	<b>1,864.22</b>	<b>(6,948.09)</b>	<b>2,697.75</b>	<b>29,766.75</b>	<b>32,561.26</b>

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. 1,820 million.

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

Undrawn loan commitments	-	280.89	64.30	37.30	17.68	36.58	28.37	19.07	-	-	481.19
<b>Total</b>	<b>-</b>	<b>280.89</b>	<b>64.30</b>	<b>37.30</b>	<b>17.68</b>	<b>36.58</b>	<b>28.37</b>	<b>19.07</b>	<b>-</b>	<b>-</b>	<b>481.19</b>



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46.2. Liquidity Risk

46.2.3. Financial assets available to support future funding

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

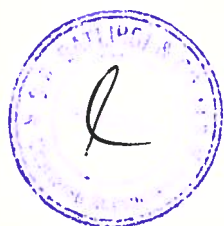
As at March 31, 2021	Pledge as collateral	Encumbered Contractually/ legally restricted assets <sup>1</sup>	Available as collateral	Unencumbered others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	9,463.05	828.06	-	-	10,291.11
Securities held for trading	155.83	-	-	-	155.83
Trade receivables	104.02	-	-	-	104.02
Loans	29,106.20	6,294.15	558.24	-	35,958.59
Investments	-	1,600.86	-	-	1,600.86
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	166.58	365.84	384.33	-	916.75
<b>Total assets</b>	<b>38,996.89</b>	<b>9,088.92</b>	<b>942.57</b>	<b>-</b>	<b>49,028.37</b>

As at March 31, 2020	Pledge as collateral	Encumbered Contractually/ legally restricted assets <sup>1</sup>	Available as collateral	Unencumbered others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	5,628.39	40.09	0.00	-	5,668.48
Trade receivables	-	-	58.46	-	58.46
Loans	37,714.82	4,513.33	972.47	-	43,200.62
Investments	-	1,044.73	-	-	1,044.73
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	-	-	-	-	-
<b>Total assets</b>	<b>43,344.42</b>	<b>5,598.15</b>	<b>1,030.93</b>	<b>-</b>	<b>49,973.50</b>

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

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



#### 46.3. 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.

#### 46.3.1 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, 2021			As at March 31, 2020			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
<b>Financial Assets</b>							
Cash and cash equivalent and other bank balances	10,291.11	-	10,291.11	5,668.48	-	5,668.48	Interest rate
Securities held for trading	-	155.83	155.83	-	-	-	Interest rate / Price risk
Loans	35,958.59	-	35,958.59	43,200.62	-	43,200.62	Interest rate
Investments	1,600.86	-	1,600.86	1,044.73	-	1,044.73	Interest rate
Trade receivables	104.02	-	104.02	58.46	-	58.46	
Other financial assets	916.75	-	916.75	244.92	-	244.92	
<b>Total</b>	<b>48,871.33</b>	<b>155.83</b>	<b>49,027.16</b>	<b>50,217.21</b>	<b>-</b>	<b>50,217.21</b>	
<b>Financial Liabilities</b>							
Debt securities	11,676.75	-	11,676.75	10,091.57	-	10,091.57	Interest rate
Borrowings (other than Debt Securities)	22,628.38	-	22,628.38	27,992.02	-	27,992.02	Interest rate
Subordinated liabilities	508.61	-	508.61	508.61	-	508.61	Interest rate
Trade payables	72.28	-	72.28	85.37	-	85.37	
Other liabilities	6,373.14	-	6,373.14	3,948.80	-	3,948.80	Interest rate
<b>Total</b>	<b>41,259.16</b>	<b>-</b>	<b>41,259.16</b>	<b>42,626.37</b>	<b>-</b>	<b>42,626.37</b>	



#### 46.3. Market Risk

##### 46.3.2 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.

##### INR Loans

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
<u>INR Loans</u>					
March 31, 2021	25/(25)	35.74	(35.74)	35.74	(35.74)
March 31, 2020	25/(25)	45.46	(45.46)	45.46	(45.46)

##### INR Borrowings

March 31, 2021	25/(25)	(40.05)	40.05	(40.05)	40.05
March 31, 2020	25/(25)	(50.97)	50.97	(50.97)	50.97



**47.1. 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, 2021	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Other financial assets</b>				
Security receipts	-	-	1,600.86	1,600.86
<b>Total financial instruments measured at fair value - C</b>	<b>-</b>	<b>-</b>	<b>1,600.86</b>	<b>1,600.86</b>
 As at March 31, 2020	 Level 1	 Level 2	 Level 3	 Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Other financial assets</b>				
Security receipts	-	-	1,044.73	1,044.73
<b>Total financial instruments measured at fair value - C</b>	<b>-</b>	<b>-</b>	<b>1,044.73</b>	<b>1,044.73</b>

**D. Valuation techniques:****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



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47.1. Fair Value measurement:

E. There have been no transfers between levels during the year ended March 31, 2021 and March 31, 2020.

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 2021	Security receipts	Total
Investments - at April 1, 2020	1,044.73	1,044.73
Purchase	613.53	613.53
Sale/Redemption proceeds	(57.40)	(57.40)
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2021	<u>1,600.86</u>	<u>1,600.86</u>
Unrealised gain (Loss) related to balances held at the end of the year	-	-
Financial year ended March 2020	Security receipts	Total
Investments - at April 1, 2019	-	-
Purchase	1,044.88	1,044.88
Sale/Redemption proceeds	(0.14)	(0.14)
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2020	<u>1,044.73</u>	<u>1,044.73</u>
Unrealised gain (Loss) related to balances held at the end of the year	-	-



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(Currency : Indian rupees in millions)

**47.1. Fair Value measurement:**

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

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

Type of Financial Instruments	Fair value of asset as on 31 March 2021	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	1,600.86	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	1,881.22	5% increase in Expected future cash flow	78.41	5% Decrease in Expected future Cash flow	(78.41)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(7.11)	0.5% Decrease in Risk-adjusted discount rate	7.18
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	1,044.73	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	1,317.72	5% increase in Expected future cash flow	56.47	5% Decrease in Expected future Cash flow	(56.47)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(4.64)	0.5% Decrease in Risk-adjusted discount rate	4.69



**47.2. 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.

<u>As on March 31, 2021</u>	<b>Total Carrying Amount</b>	<b>Total fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets:</b>					
Loans	35,958.59	37,150.32	-	-	37,150.32
<b>Total</b>	<b>35,958.59</b>	<b>37,150.32</b>	<b>-</b>	<b>-</b>	<b>37,150.32</b>
<b>Financial liabilities</b>					
Debt securities	11,676.75	11,952.14	-	11,952.14	-
Borrowing (other than debt securities)	2,540.58	2,592.38	-	2,592.38	-
Subordinated liabilities	508.61	508.44	-	508.44	-
<b>Total</b>	<b>14,725.94</b>	<b>15,052.97</b>	<b>-</b>	<b>15,052.97</b>	<b>-</b>
<b>Off-balance sheet items</b>					
Loan commitments	1,281.26	640.63	-	-	640.63
<b>Total</b>	<b>1,281.26</b>	<b>640.63</b>	<b>-</b>	<b>-</b>	<b>640.63</b>
<u>As on March 31, 2020</u>					
<b>Financial assets:</b>					
Loans	43,200.62	44,884.56	-	-	44,884.56
<b>Total</b>	<b>43,200.62</b>	<b>44,884.56</b>	<b>-</b>	<b>-</b>	<b>44,884.56</b>
<b>Financial liabilities</b>					
Debt securities	10,091.57	10,367.03	-	10,367.03	-
Borrowing (other than debt securities)	2,384.83	2,397.47	-	2,397.47	-
Subordinated liabilities	508.61	556.74	-	556.74	-
<b>Total</b>	<b>12,985.01</b>	<b>13,321.24</b>	<b>-</b>	<b>13,321.24</b>	<b>-</b>
<b>Off-balance sheet items</b>					
Loan commitments	484.19	242.10	-	-	242.10
<b>Total</b>	<b>484.19</b>	<b>242.10</b>	<b>-</b>	<b>-</b>	<b>242.10</b>

**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, balances other than cash and cash equivalents, 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.

**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 such 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.



## 48. 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		2.17%	11.67%	48.80%	100.00%	
As at	Estimated total gross carrying amount at default	104.36	0.00	3.75	0.10	108.21
March 31, 2021	ECL - Simplified approach	(2.26)	0.00	(1.83)	(0.10)	(4.19)
	Net carrying amount	102.10	-	1.92	-	104.02
As at	Estimated total gross carrying amount at default	11.42	0.33	0.81	0.10	12.66
March 31, 2020	ECL - Simplified approach	(0.01)	(0.00)	(0.14)	(0.10)	(0.26)
	Net carrying amount	11.41	0.33	0.67	-	12.40



**Edelweiss Housing Finance Limited**

**Notes to the financial statements for the year ended March 31, 2021 (Continued)**

(Currency : Indian rupees in millions)

**49 Details of the loan taken from Banks and other parties**

**Nature of security and terms of repayment for secured borrowings (other than debentures):**

All secured long term borrowings are secured by way of hypothecation of receivables i.e. loans and advances and corporate guarantee from the ultimate holding company and or holding company.

**(a) From Banks**

**As at March 31, 2021**

Month of Maturity / Repayment	Rate of Interest		Total
	< 10%	10.01-11.00%	
December-2024	739.63	-	739.63
September-2024	72.90	-	72.90
June-2024	762.08	-	762.08
March-2024	506.74	-	506.74
December-2023	1,253.58	-	1,253.58
September-2023	901.41	-	901.41
June-2023	1,645.08	-	1,645.08
March-2023	1,005.90	-	1,005.90
December-2022	1,879.47	-	1,879.47
September-2022	1,266.24	-	1,266.24
June-2022	1,919.43	-	1,919.43
March-2022	1,280.25	-	1,280.25
December-2021	1,919.43	-	1,919.43
September-2021	1,499.55	-	1,499.55
June-2021	2,180.00	-	2,180.00
<b>Total</b>	<b>18,831.69</b>	<b>-</b>	<b>18,831.69</b>



**Edelweiss Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2021 (Continued)**  
(Currency : Indian rupees in millions)

**49 Details of the loan taken from Banks and other parties**

(a) From Banks  
As at March 31, 2020

Month of Maturity / Repayment	Rate of Interest		Total
	< 10%	10.01-11.00%	
February-2025	-	35.71	35.71
December-2024	697.92	-	697.92
November-2024	-	35.71	35.71
September-2024	72.92	-	72.92
August-2024	-	35.71	35.71
June-2024	747.92	-	747.92
May-2024	-	35.71	35.71
March-2024	226.32	-	226.32
February-2024	-	35.71	35.71
December-2023	852.12	-	852.12
November-2023	-	35.71	35.71
September-2023	595.54	-	595.54
August-2023	-	35.71	35.71
June-2023	1,283.04	-	1,283.04
May-2023	-	35.71	35.71
March-2023	1,001.79	-	1,001.79
February-2023	-	35.71	35.71
December-2022	1,744.06	-	1,744.06
November-2022	-	35.71	35.71
September-2022	1,276.14	-	1,276.14
August-2022	-	35.71	35.71
June-2022	1,901.14	-	1,901.14
May-2022	-	35.71	35.71
March-2022	1,276.14	-	1,276.14
February-2022	-	35.71	35.71
December-2021	1,901.14	-	1,901.14
November-2021	-	35.71	35.71
September-2021	1,276.14	-	1,276.14
August-2021	-	35.71	35.71
June-2021	1,901.14	-	1,901.14
May-2021	-	35.71	35.71
March-2021	1,613.21	35.90	1,649.11
February-2021	33.33	35.71	69.05
December-2020	1,619.89	35.71	1,655.60
November-2020	33.33	35.71	69.05
September-2020	1,794.47	35.71	1,830.18
August-2020	80.21	35.71	115.92
June-2020	1,888.65	35.71	1,924.36
May-2020	80.21	35.71	115.92
<b>Total</b>	<b>23,896.73</b>	<b>857.32</b>	<b>24,754.05</b>



Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2021 (Continued)  
(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank  
As at March 31, 2021

Month of Maturity / Repayment	Rate of Interest				Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	>9.50%	
October-2030	-	10.61	-	-	10.61
July-2030	-	19.80	-	-	19.80
April-2030	-	19.80	-	-	19.80
January-2030	-	19.80	-	-	19.80
October-2029	-	19.80	-	-	19.80
July-2029	-	20.15	-	-	20.15
April-2029	-	24.81	-	-	24.81
January-2029	-	33.06	-	-	33.06
October-2028	-	33.20	-	-	33.20
July-2028	-	33.20	-	-	33.20
April-2028	-	33.20	-	-	33.20
January-2028	-	33.20	-	-	33.20
October-2027	-	33.20	-	-	33.20
July-2027	-	33.20	-	-	33.20
April-2027	-	33.20	-	-	33.20
January-2027	-	33.20	-	-	33.20
October-2026	-	33.20	-	-	33.20
July-2026	-	33.20	-	-	33.20
April-2026	-	33.20	-	-	33.20
January-2026	-	33.20	-	-	33.20
October-2025	-	33.20	-	-	33.20
July-2025	27.30	33.20	-	-	60.50
April-2025	30.50	33.20	-	-	63.70
January-2025	31.45	33.20	-	-	64.65
October-2024	31.95	33.20	-	-	65.15
July-2024	39.97	33.20	-	-	73.17
April-2024	41.21	33.20	-	-	74.41
January-2024	41.21	33.20	-	-	74.41
October-2023	41.21	33.20	-	-	74.41
July-2023	41.21	33.20	-	-	74.41
April-2023	41.21	33.20	5.99	-	80.40
January-2023	41.21	33.20	7.24	-	81.64
October-2022	41.21	33.20	7.24	-	81.64
July-2022	42.19	33.20	7.24	-	82.62
April-2022	44.60	33.20	7.24	-	85.03
January-2022	44.60	33.20	7.24	-	85.03
October-2021	44.60	33.20	7.24	-	85.03
July-2021	44.60	33.20	7.24	-	85.03
May-2021	650.00	-	-	-	650.00
Total	1,320.23	1,163.83	56.67	-	2,540.66



**Edelweiss Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2021 (Continued)**  
(Currency : Indian rupees in millions)

**49 Details of the loan taken from Banks and other parties**

(b) From The National Housing Bank  
As at March 31, 2020

Month of Maturity / Repayment	Rate of Interest				Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	>9.50%	
October-2031	-	-	-	9.4	9.40
July-2031	-	-	-	20.22	20.22
April-2031	-	-	-	20.66	20.66
January-2031	-	-	-	20.66	20.66
October-2030	-	-	-	20.66	20.66
July-2030	-	-	-	20.66	20.66
April-2030	-	-	6.74	20.66	27.40
January-2030	-	-	12.74	20.66	33.40
October-2029	-	-	12.74	20.66	33.40
July-2029	-	-	12.74	20.66	33.40
April-2029	-	-	12.74	20.66	33.40
January-2029	-	-	12.74	20.66	33.40
October-2028	-	-	12.74	20.66	33.40
July-2028	-	-	12.74	20.66	33.40
April-2028	-	-	12.74	20.66	33.40
January-2028	-	-	12.74	20.66	33.40
October-2027	-	-	12.74	20.66	33.40
July-2027	-	-	12.74	20.66	33.40
April-2027	-	-	12.74	20.66	33.40
January-2027	-	-	12.74	20.66	33.40
October-2026	-	-	12.74	20.66	33.40
July-2026	-	-	12.74	20.66	33.40
April-2026	-	-	12.74	20.66	33.40
January-2026	-	-	12.74	20.66	33.40
October-2025	-	-	12.74	20.66	33.40
July-2025	27.30	-	12.74	20.66	60.70
April-2025	30.50	-	12.74	20.66	63.90
January-2025	31.45	-	12.74	20.66	64.85
October-2024	31.95	0.37	12.74	20.66	65.72
July-2024	39.97	0.48	12.74	20.66	73.85
April-2024	41.21	0.48	12.74	20.66	75.09
January-2024	41.21	0.48	12.74	20.66	75.09
October-2023	41.21	0.48	12.74	20.66	75.09
July-2023	41.21	0.48	12.74	20.66	75.09
April-2023	41.21	0.48	18.73	20.66	81.08
January-2023	41.21	0.48	19.97	20.66	82.32
October-2022	41.21	0.48	19.97	20.66	82.32
July-2022	41.21	0.48	20.95	20.66	83.30
April-2022	41.21	0.48	23.36	20.66	85.71
January-2022	41.21	0.48	23.36	20.66	85.71
October-2021	41.21	0.48	23.36	20.66	85.71
July-2021	41.21	0.48	23.36	20.66	85.71
April-2021	41.21	0.48	23.36	20.66	85.71
January-2021	41.21	0.48	23.36	20.66	85.71
October-2020	41.21	0.48	23.36	20.66	85.71
July-2020	41.21	0.48	23.36	20.66	85.71
<b>Total</b>	<b>820.53</b>	<b>8.52</b>	<b>617.12</b>	<b>938.66</b>	<b>2,384.83</b>



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

As at March 31, 2021

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	33,47,060	3,347.06
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reissuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL/NCD/18May22	9.25%	18-Nov-2020	18-May-2022	1,000	1,000.00
EHFL/NCD/04Mar22	9.25%	04-Sep-2020	04-Mar-2022	750	750.00
EHFL/NCD/14Feb22	9.25%	14-Aug-2020	14-Feb-2022	1,000	1,000.00
EHFL/NCD/03Jan22	9.05%	03-Jul-2020	03-Jan-2022	1,000	1,000.00
EHFL/Public NCD/Series IV	0.00%	19-Jul-2016	19-Jul-2021	41,498	41.50
EHFL/Public NCD/Series III	9.75%	19-Jul-2016	19-Jul-2021	4,42,341	442.34
EHFL/NCD/15Apr21	0.00%	22-Mar-2018	15-Apr-2021	178	178.00
<b>Total</b>					<b>11,117.16</b>

\*\*All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

As at March 31, 2020

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	34,62,048	3,462.05
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reissuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL Aug 2021	0.00%	27-Jul-2018	12-Aug-2021	500	500.00
EHFL/Public NCD/Series IV	0.00%	19-Jul-2016	19-Jul-2021	41,815	41.82
EHFL/Public NCD/Series III	9.75%	19-Jul-2016	19-Jul-2021	5,89,016	589.02
EHFL ZCB 2021	0.00%	04-Apr-2018	04-May-2021	450	450.00
EHFL/NCD/15Apr21	0.00%	20-Feb-2018	15-Apr-2021	70	70.00
EHFL/NCD/15Apr21	0.00%	22-Mar-2018	15-Apr-2021	178	178.00
EHFL/NCD/02Jun20	0.00%	13-Jun-2017	02-Jun-2020	100	100.00
EHFL_Reissuance_2	0.00%	20-Jul-2017	02-Jun-2020	300	300.00
EHFL_Reissuance	0.00%	19-Sep-2017	02-Jun-2020	150	150.00
EHFL/NCD/12May20	0.00%	21-Apr-2017	12-May-2020	125	125.00
<b>Total</b>					<b>9,324.14</b>

\*\*All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.



51 Details of Unsecured Subordinated Debentures

As at March 31, 2021

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					-

As at March 31, 2020

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					-



## 52. 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:

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

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

### (b) Regulatory Capital

The below regulatory capital is computed in accordance with the relevant regulatory guidelines.

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Capital Funds</b>		
Common Equity Tier1 (CET1) capital	6,676.41	7,499.78
Other Tier 2 capital instruments (CET2)	-	144.08
<b>Total capital</b>	<b>6,676.41</b>	<b>7,643.86</b>
<b>Risk weighted assets</b>	<b>25,205.72</b>	<b>26,758.65</b>
CET1 Capital ratio	26.49%	28.03%
CET2 Capital ratio	0.00%	0.54%
<b>Total Capital ratio</b>	<b>26.49%</b>	<b>28.57%</b>



**53. Regulatory disclosures**

The following minimum disclosures have been given in accordance with RBI Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 on Implementation of Indian Accounting Standards dated March 13, 2020.

**(i) Statutory reserve**

As per Section 29C of the The National Housing Bank Act, 1987 (the "NHB Act"), the company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the company under Section 36(1)(viii) of the Income- tax Act, is considered to be an eligible transfer. The company has transferred an amount of Rs. 3.00 million (Previous Year Rs. 2.49 million) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of Rs.4.46 million (Previous Year Rs. 0.63 million) to "Statutory Reserve (As per Section 29C of The NHB Act)".

**Reserve Fund under section 29C of National Housing Bank Act, 1987**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of the year</b>	<b>Amount</b>	<b>Amount</b>
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	151.20	150.57
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	389.14	386.65
<b>c) Total</b>	<b>540.34</b>	<b>537.22</b>
<b>Addition/Appropriation/Withdrawal during the year</b>		
Add : a) Amount transferred u/s 29C of the NHB Act, 1987	4.46	0.63
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	3.00	2.49
Less : a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/ s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	155.66	151.20
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	392.14	389.14
<b>c) Total</b>	<b>547.80</b>	<b>540.34</b>



**53. Regulatory disclosures**

**(ii) Fraud Reporting**

There were fraud cases aggregating to Rs.1.97 millions (Previous year Rs. 31.94 millions) identified and reported to NHB during the financial year ended on March 31, 2021.

**(iii) Foreign Exchange Transaction and Un-hedged Foreign Currency Risk**

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2021 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign currency exposure as at March 31, 2021 ( Previous year Rs. Nil)

**(iv) Details of dues to micro enterprise and small enterprise**

Trade Payables include Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest Rs 0.03 millions has been paid by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

**(v) Capital to risk assets ratio (CRAR)**

	As at March 31, 2021	As at March 31, 2020
(i) CRAR (%)	26.49%	28.57%
(ii) CRAR - Tier I capital (%)	26.49%	28.03%
(iii) CRAR - Tier II Capital (%)	-	0.54%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-

**(vi) Investments**

Value of Investments	As at March 31, 2021	As at March 31, 2020
(i) Gross value of Investments		
(a) In India	1,600.86	1,044.73
(b) Outside India	Nil	Nil
(ii) Provisions for Depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net value of Investments		
(a) In India	1,600.86	1,044.73
(b) Outside India	Nil	Nil
<b>Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	Nil	Nil
(ii) Add: Provisions made during the year	Nil	Nil
(iii) Less: Write-off / Written-back of excess provisions during the year	Nil	Nil
(iv) Closing balance	Nil	Nil

**(vii) Derivatives and Long Term Contracts**

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) and hence detailed disclosure is not required.



53. Regulatory disclosures

(viii) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

	As at March 31, 2021	As at March 31, 2020
(i) The notional principal of swap agreements	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii) Collateral required by the HFC 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

(ix) Exchange Traded Interest Rate (IR) Derivative

	As at March 31, 2021	As at March 31, 2020
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	Nil	Nil
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2021 and March 31, 2020 (instrument-wise)	Nil	Nil
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

(x) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil)

B. Quantitative Disclosure

	As at March 31, 2021	As at March 31, 2020
(i) Derivatives (Notional Principal Amount)	Nil	Nil
(ii) Marked to Market Positions [1]		
(a) Assets (+)	Nil	Nil
(b) Liability (-)	Nil	Nil
(iii) Credit Exposure [2]	Nil	Nil
(iv) Unhedged Exposures	Nil	Nil



53. Regulatory disclosures

(xii) *Securitisation/ Direct Assignment:*

- (a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by NHB vide circular no. NHB/HFC/C.G-DIR.1 MD&CEO 2016

Particulars		As at March 31, 2021	As at March 31, 2020
1	No. of SPVs sponsored by the HFC for securitisation transactions	1	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the HFC	0.25	2.88
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	-	-
(i)	Off-balance sheet exposures towards Credit Enhancements		
a)	First Loss	-	-
b)	Others	-	-
(ii)	On-balance sheet exposures towards Credit Enhancements		
a)	First Loss	-	-
b)	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR	10.60	10.60
(i)	Off-balance sheet exposures towards Credit Enhancements		
a)	Exposure to own securitisations		
i.)	First Loss	-	-
ii.)	Others	-	-
b)	Exposure to third party securitisations		
i.)	First Loss	-	-
ii.)	Others	-	-
(ii)	On-balance sheet exposures towards Credit Enhancements		
a)	Exposure to own securitisations		
i.)	First Loss	10.60	10.60
ii.)	Others	-	-
b)	Exposure to third party securitisations		
i.)	First Loss	-	-
ii.)	Others	-	-

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

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

Particulars		As at March 31, 2021	As at March 31, 2020
i)	No. of accounts	452	307
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	1,368.15	1,475.99
iii)	Aggregate consideration	1,176.00	1,325.00
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	(192.15)	(150.99)



53. Regulatory disclosures

- (c) Disclosures in the notes to the accounts in respect of assignment transactions as required under revised guidelines on securitization transactions issued by MHB vide circular no. NHB/HFC/CG-DIR-1/MH&CFO/2016

	As at March 31, 2021	As at March 31, 2020
1 No. of transactions assigned by the HFC	23	16
2 Total amount outstanding	15,308.15	10,380.26
3 Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	1,285.94	911.07
(I) Off-balance sheet exposures		
a) First Loss	-	-
b) Others	-	-
(II) On-balance sheet exposures		
a) First Loss	-	-
b) Others	1,285.94	911.07
4 Amount of exposures to assignment transactions other than MRR	746.18	555.50
(I) Off-balance sheet exposures		
a) Exposure to own assignments		
i.) First Loss	-	-
ii.) Others	-	-
b) Exposure to third party assignments		
i.) First Loss	-	-
ii.) Others	-	-
(II) On-balance sheet exposures		
a) Exposure to own assignments	746.18	555.50
i.) First Loss	-	-
ii.) Others	-	-
b) Exposure to third party assignments		
i.) First Loss	-	-
ii.) Others	-	-

- (d) Details of Assignment transactions undertaken by HFCs

	For the year ended March 31, 2021	For the year ended March 31, 2020
i) No. of accounts	5,159.00	1,650.00
ii) Aggregate value (net of provisions) of accounts sold	8,778.14	5,601.89
iii) Aggregate consideration	8,778.14	5,601.89
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

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

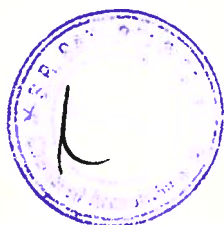
During the year the Company has not purchases non-performing financial assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

	As at March 31, 2021	As at March 31, 2020
1 (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2 (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:

	As at March 31, 2021	As at March 31, 2020
1 No. of accounts sold	452.00	307.00
2 Aggregate outstanding	1,368.15	1,475.99
3 Aggregate consideration received	1,176.00	1,325.00



53. Regulatory disclosures

(vii) Disclosure of Restructured Accounts - Micro, Small and Medium Enterprises (MSME) sector

(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 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048 2019-20 dated February 11, 2020 and RBI 2020-21/17 DOR.No.BP.BC/4/21.04.048 2020-21 dated August 6, 2020)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
No of accounts restructured	24	-
Amount (Indian rupees in millions)	105.70	-

(viii) Exposure to real estate sector

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

Category	As at March 31, 2021	As at March 31, 2020
<b>a) Direct exposure</b>		
(i) <b>Residential mortgages -</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: [Individual housing loans up to Rs. 15 lakh Rs. 8,161.32 million (Previous Year Rs. 9,238.24 million)]	31,860.02	38,473.34
(ii) <b>Commercial real estate -</b> 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).	4,034.05	5,280.67
(iii) <b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures</b>		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

b) Exposure to capital market

Particulars	As at March 31, 2021	As at March 31, 2020
(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	65.72	Nil
(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	Nil	Nil
(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	Nil	Nil
(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	Nil	Nil
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(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	Nil	Nil
(vii) bridge loans to companies against expected equity flows / issues	Nil	Nil
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
<b>Total Exposure to Capital Market</b>	<b>65.72</b>	<b>Nil</b>



53. Regulatory disclosures

(xiv) Details of financing of parent Company products - Nil (Previous year - Nil)

(xv) Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the HFC

During the year ended March 31, 2021 and March 31, 2020, the Company's credit exposure (whether in terms of sanctioned amount or entire amount outstanding, whichever is higher) to single borrowers and group borrowers were within the limits prescribed by the RBI.

(xvi) Unsecured Advances

The Company has not taken any charge over the rights, licenses, authorisations, etc., against unsecured loans given to borrowers in the current year and previous year.

(xvii) Remuneration of Directors

The Company has not entered into any transactions with non-executive directors during the year (Previous Year Rs. Nil), except for those disclosed in note 53 (xxxv)

(xviii) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items during the year (Previous Year Rs. Nil) and no change in any accounting policy from last year.

(xix) Accounting Standard 21 - Consolidated Financial Statements (CFS)

The company does not have any subsidiary, associate, or joint venture in the current year and previous year and hence consolidation of accounts is not required.

(xx) 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, 2021	For the year ended March 31, 2020
(i) Provisions for depreciation on investment	Nil	Nil
(ii) Provision towards NPA - (Stage III loans)	21.16	(30.29)
(iii) Provision made towards income tax	(51.25)	88.66
(iv) Provision for standard assets* (with details like teaser loan, CRE, CRE-RH etc.) - Stage I & II loans	64.07	77.13
(v) Other provision and contingencies	Nil	Nil

\* Provision for Stage I & II loans include CRE - RH of Rs (53.23) million (Previous Year Rs 61.84 million), CRE - Non-RH of Rs (11.88) million (Previous Year Rs 19.71 million), Non CRE of Rs 129.18 million (Previous Year Rs (4.43) million).

(xxi)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Standard Assets</b>				
(a) Total Outstanding Amount #	20,969.93	25,852.05	14,207.83	16,997.82
(b) Provisions made	217.35	188.36	145.90	110.83
<b>Sub-Standard Assets**</b>				
(a) Total Outstanding Amount	932.94	298.06	223.64	90.45
(b) Provisions made	95.64	33.30	20.67	8.41
<b>Doubtful Assets - Category-I**</b>				
(a) Total Outstanding Amount	54.62	103.18	2.01	33.07
(b) Provisions made	5.97	11.92	0.18	2.93
<b>Doubtful Assets - Category-II**</b>				
(a) Total Outstanding Amount	24.91	110.37	15.93	63.60
(b) Provisions made	2.49	12.28	1.77	6.36
<b>Doubtful Assets - Category-III**</b>				
(a) Total Outstanding Amount	16.60	29.79	2.51	6.03
(b) Provisions made	1.83	3.45	0.53	6.03
<b>Loss Assets**</b>				
(a) Total Outstanding Amount	2.67	25.91	-	-
(b) Provisions made	2.67	25.91	-	-
<b>TOTAL</b>				
(a) Total Outstanding Amount	22,001.66	26,419.36	14,451.93	17,190.97
(b) Provisions made	325.95	275.22	169.05	134.56

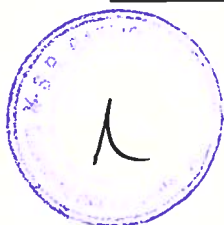
\*\* Represent Stage III loans

Note:

#	Housing		Non-Housing	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Standard Assets</b>				
Principal outstanding	20,761.81	25,627.17	13,603.92	16,408.17
Interest accrued	236.21	253.65	236.16	249.66
EIR and other Ind AS adjustment	(28.09)	(28.77)	367.75	339.99

2. The Category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III



53. Regulatory disclosures

(xvii) Draw Down from Reserves

The Company has drawn Rs. 127.93 million (Previous Year Rs. Nil) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2021. Further, pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Non-Banking Finance Companies (including Housing Finance Companies) regulated by Reserve Bank of India.

(xviii) Concentration of Public Deposits, Advances, Exposures and NPAs

Concentration of Public Deposits (for Public Deposit taking holding HFCs)

Particular	As at March 31, 2021	As at March 31, 2020
Total Deposit of twenty largest depositors	NA	NA
% of deposits to twenty largest depositors to total Deposits of the HFC	NA	NA

Concentration of Loans & Advances

Particular	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	3,456.50	1,791.01
% of Loans & Advances to twenty largest borrowers to total advances of the HFC	9.48%	4.11%

Concentration of all exposure (including off-balance sheet exposure)

Particular	As at March 31, 2021	As at March 31, 2020
Total exposures to twenty largest borrowers / customers	3,445.64	1,830.40
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	9.21%	4.18%

Concentration of NPAs (Stage III loans)

Particular	As at March 31, 2021	As at March 31, 2020
Total exposures to top ten NPAs	197.87	173.48

Sector-wise NPAs (Stage III loans)

Sl. No.	Sector	% of NPAs to total advances in that sector	
		As at March 31, 2021	As at March 31, 2020
A.	Housing Loans:		
1	Individual	4.91%	2.08%
2	Builders / Project Loans	0.00%	2.29%
3	Corporates	9.11%	6.68%
4	Other (specify)	0.00%	0.00%
B.	Non-Housing Loans:		
1	Individual	2.07%	1.16%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.00%	0.00%
4	Other (HUF & Partnership Firm)	0.08%	1.43%

\* NPAs represents Stage III loans.

(xix) Movements of NPAs (Stage III loans)

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

Particular	As at March 31, 2021	As at March 31, 2020
i) Net NPAs to net advances (%)	3.15%	1.49%
ii) Movement of Gross NPAs		
a) Opening balance	760.57	982.91
b) Additions during the year	2,330.88	1,571.29
c) Reductions during the year	(1,815.67)	(1,793.63)
d) Closing balance	1,275.78	760.57
iii) Movement of net NPAs		
a) Opening balance	649.99	842.03
b) Additions during the year	2,045.97	1,358.59
c) Reductions during the year	(1,551.91)	(1,550.63)
d) Closing balance	1,144.05	649.99
iv) Movement of provisions for NPAs		
a) Opening balance	110.58	140.88
b) Provisions made during the year	284.91	212.70
c) Write-off/write-back of excess provisions	(263.76)	(243.00)
d) Closing balance	131.73	110.58



53. Regulatory disclosures

(xxv) Asset liability management

Maturity pattern of certain items of assets and liabilities  
As at March 31, 2021

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	1,154.47	-	650.00	2,180.00	1,584.58	3,519.01	10,964.77	2,042.56	532.99	22,628.38
Market Borrowing	2.45	-	259.08	37.13	315.75	818.79	2,792.57	2,022.03	500.00	5,437.56	12,185.35
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	160.80	272.67	287.21	563.76	811.57	1,772.24	4,172.25	10,529.42	2,220.20	15,663.51	36,453.62
Investments*	-	-	65.73	-	-	90.11	-	-	-	1,600.86	1,756.70
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

\*Includes securities held for trading also.

As at March 31, 2020

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	-	100.79	2,224.35	1,946.09	4,072.48	12,488.88	4,761.47	-	25,594.06
Market Borrowing	-	13.11	44.14	197.34	725.20	85.71	549.17	4,267.94	429.19	6,686.32	12,998.12
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	395.69	229.43	252.40	660.87	956.61	2,087.24	3,996.03	8,060.50	3,058.49	23,913.20	43,610.46
Investments	-	-	-	-	-	-	-	-	-	1,044.73	1,044.73
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the regulator.



53. Regulatory disclosures

(xxvi) Details of ratings assigned by credit rating agencies and migration of ratings during the year

As at March 31, 2021

Instrument Category	ICRA	CARE	Brickworks	CRISIL
i) Long Term Instruments :	LT-NC/D, BLR and LT-Sub Debt	LT-NC/D, BLR and LT-Sub Debt	LT-NC/D and Perpetual Debt	LT-NC/D, BLR and LT-Sub Debt
Rating	ICRA AA+/Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative
Amount	60178.10	30831.00	8500.00	35350.00
ii) Short Term Instruments :	NA	CPs-ST	NA	CPs-ST
Rating	NA	CARE A1+	NA	CRISIL A1+
Amount	NA	10000.00	NA	10000.00

Following are the migration of ratings during the year:

1. ICRA Ratings revised the ratings on Long Term Debt from AA- to A+ on 5th May'2020 while keeping the outlook unchanged at Negative and also the Short term ratings from ICRA A1+ to ICRA A1.
2. CARE Ratings revised the outlook on Long Term Debt ratings from Stable to Negative on 7th May' 2020 and Revise the Long term Debt ratings from CARE AA- to CARE A+ and revised the outlook from Stable to Negative on 8th Oct' 2020.
3. CRISIL Ratings revised the outlook on Long term Debt ratings from Stable to Negative on 25th May' 2020.
4. Brickwork Ratings revises the ratings on Long Term Debt from AA to AA- on 10th Nov' 2020 and revise the outlook Stable from Negative.

As at March 31, 2020

Instrument Category	ICRA	CARE	Brickworks	CRISIL
i) Long Term Instruments :	LT-NC/D, BLR and LT-Sub Debt	LT-NC/D, BLR and LT-Sub Debt	LT-NC/D and Perpetual Debt	LT-NC/D, BLR and LT-Sub Debt
Rating	ICRA AA-/Negative	CARE AA- Stable and CARE AA- (SO)/Stable	BWR AA-/Negative and BWR AA-/Negative	CRISIL AA-/Stable
Amount	67600.00	31780.00	8500.00	35350.00
ii) Short Term Instruments :	CPs-ST	CPs-ST	NA	CPs-ST
Rating	NA	CARE A1+	NA	CRISIL A1+
Amount	NA	10000.00	NA	10000.00

Following are the migration of ratings during the year:

1. 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.
2. 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
3. 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
4. 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



53 Regulatory Disclosures

(xxvii) Disclosure of Restructured Accounts

(as required by RBI guidelines under reference DNBS, (O. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 & RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020).

Type of Restructuring Asset Classification		Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
Sl No	Details	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured accounts as on 1st April, 2020 (Opening figures) (refer note 1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Fresh restructuring during the year (refer note 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Upgradations of restructured accounts to Standard category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	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 17-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Restructured accounts as on 31st Mar, 2021 (Closing figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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



53. Regulatory Disclosures

(xxviii) Note to the balance sheet of a non-deposit taking National Housing Banking Company

Note to the balance sheet of a non-deposit taking National Housing Banking Company as required in terms of paragraph 18 of Master Direction- National Housing Banking Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with The Reserve Bank of India (RBI) vide Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

Liabilities side:				
Particulars	Amount outstanding		Amount overdue	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1) Loans and advances availed by NHB inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	11,676.75	10,091.57	-	-
(ii) Unsecured	508.61	508.61	-	-
b) Deferred credits	-	-	-	-
c) Term loans	22,479.11	27,349.22	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Loan from related parties	-	13.11	-	-
(ii) Bank overdraft	149.27	629.69	-	-
(* 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	34,937.09	43,580.99	-	-
b) Unsecured	1,516.49	29.40	-	-
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	-	-	-	-



53. Regulatory Disclosures

(xxviii) Note to the balance sheet of a non-deposit taking National Housing Banking Company

Note to the balance sheet of a non-deposit taking National Housing Banking Company as required in terms of paragraph 18 of Master Direction- National Housing Banking Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 read with The Reserve Bank of India (RBI) vide Circular No. RBI/2020-21/73 DOR.FIN.HFC/CC No.120/03/10.136/2020-21 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

	As at March 31, 2021	As at March 31, 2020
4) Break up of investments		
Current investments:		
a) Quoted:		
(i) Shares: Equity	65.72	-
Preference	-	-
(ii) Debentures and bonds	90.11	-
(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	1,600.86	1,044.73

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1. Related parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	1,012.97	21.90	1,012.97	21.90
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	34,446.29	43,171.22	499.33	7.50	34,945.62	43,178.72
<b>TOTAL</b>	<b>34,446.29</b>	<b>43,171.22</b>	<b>1,512.30</b>	<b>29.40</b>	<b>35,958.59</b>	<b>43,200.62</b>

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1) Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	1,010.11	1,044.73	1,010.11	1,044.73
(c) Other related parties	-	-	-	-
2) Other than related parties	590.75	-	590.75	-
<b>TOTAL</b>	<b>1,600.86</b>	<b>1,044.73</b>	<b>1,600.86</b>	<b>1,044.73</b>

7) Other information

Particulars	As at March 31, 2021	As at March 31, 2020
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	1,275.82	760.57
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	1,144.01	649.98
c) Assets acquired in satisfaction of debt	-	-

Note :

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



53. Regulatory Disclosures

(xxiv) Disclosure on liquidity risk

As required in accordance with RBI Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with RBI 2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019

a) Funding Concentration based on significant counterparty (both deposits and borrowings)	As at March 31, 2021
Number of significant counterparties*	12
Amount of borrowings from significant counterparties	28,916.36
% of Total deposits	NA
% of Total liabilities**	69.37%

\* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the HFC's total liabilities.

\*\* "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 Housing Finance Company registered with National Housing Bank, does not accept public deposits.

c) Top 10 Borrowings	As at March 31, 2021
Amount of Borrowings from top 10 lenders	27,978.86
% of Total Borrowings	80.37%

d) Funding Concentration based on significant instrument/product*	As at March 31, 2021	
	Amount	% of Total Liabilities**
<b>Market Borrowings</b>		
Non Convertible Debentures	11,676.75	28.01%
Perpetual and Sub-ordinated Debentures	508.61	1.22%
<b>Other Borrowings</b>		
Term Loans	21,279.11	51.05%
Working Capital Demand Loan	1,200.00	2.88%

\* "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 HFC's total liabilities.

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



### 53. Regulatory Disclosures

#### e) Stock Ratios

	As at March 31, 2021
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	3.88%
Other short-term liabilities**, if any as a % of total liabilities	3.24%
Other short-term liabilities**, if any as a % of total assets	2.74%

\* "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;

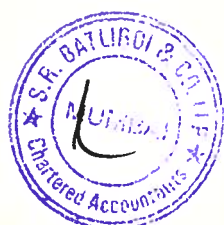
Develop risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and

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.



53. Regulatory Disclosures

(xxx) Prudential Floor for ECL

As at March 31, 2021

Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2021 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
<b>Performing Assets</b>						
Standard	Stage 1 Stage 2	30,886.32 4,291.44	82.28 279.42	30,804.04 4,012.02	137.44 32.14	(55.16) 247.28
<b>Subtotal</b>		<b>35,177.76</b>	<b>361.70</b>	<b>34,816.06</b>	<b>169.58</b>	<b>192.12</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	1,156.63	114.89	1,041.73	163.33	(48.44)
Doubtful - up to 1 year	Stage 3	56.63	6.15	50.48	11.77	(5.61)
1 to 3 years	Stage 3	40.84	4.26	36.58	10.87	(6.61)
More than 3 years	Stage 3	19.06	2.36	16.70	12.57	(10.21)
<b>Subtotal for doubtful</b>		<b>116.53</b>	<b>12.77</b>	<b>103.76</b>	<b>35.21</b>	<b>(22.44)</b>
Loss	Stage 3	2.67	2.67	-	2.67	-
<b>Subtotal for NPA</b>		<b>1,275.82</b>	<b>130.33</b>	<b>1,145.49</b>	<b>201.21</b>	<b>(70.88)</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1 Stage 2 Stage 3	1,257.25 10.02 13.99	0.97 0.58 1.40	1,256.28 9.44 12.59	- - -	0.97 0.58 1.40
<b>Subtotal</b>		<b>1,281.26</b>	<b>2.95</b>	<b>1,278.32</b>	<b>-</b>	<b>2.95</b>
<b>Total</b>	Stage 1 Stage 2 Stage 3 Total	<b>32,143.57 4,301.47 1,289.82 37,734.85</b>	<b>83.25 280.01 131.73 494.99</b>	<b>32,060.32 4,021.46 1,158.08 37,239.87</b>	<b>137.44 32.14 201.21 370.79</b>	<b>(54.19) 247.86 (69.48) 124.19</b>



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

53. Regulatory disclosures

(xxvi) Overseas Assets

The Company do not hold any Overseas Assets: (Previous Year Nil).

(xxvii) Off-balance Sheet SPI's sponsored - None (Previous Year: None)

(xxviii) Disclosure of complaints

Customer complaints

Particular	As at March 31, 2021	As at March 31, 2020
(a) No. of complaints pending at the beginning of the year	3	6
(b) No. of complaints received during the year	214	85
(c) No. of complaints redressed during the year	212	88
(d) No. of complaints pending at the end of the year	5	3

(xxxiv) Company information

The Company has its operations in India and it does not have any joint venture partners with regard to Joint ventures and overseas subsidiaries as at and for the year ended March 31, 2021 and March 31, 2020.

(xxxv) Details of transaction with non executive directors

Name of the Director	Nature of Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. P. Vaidyanathan	Sitting fees	-	0.32
Biswamohan Mahapatra	Sitting fees	0.10	-
Sunil Phatarphekar	Sitting fees	0.28	-
Mr. P N Venkatachalam	Sitting fees	0.40	0.48

(xxxvi) Registration/License obtained from other financial sector regulators - Nil (Previous year Nil).

(xxxvii) The Company has not postponed revenue recognition on any item during the current year and previous year.

(xxxviii) Disclosure of penalties imposed by NHB and other regulators - Nil (Previous year Nil).



54. Other regulatory disclosures

(i) Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	1,009.71	21.90
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

(ii) 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. #	Particulars	Details
1	Name of the Company	Edelweiss Housing Finance Limited
2	CIN	U65922MH2008PLC182906
3	Outstanding borrowing of Company as on March 31, 2021	34,813.74
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 A-/Negative	ICRA Limited
Bank Borrowings	CRISIL AA-/Negative	CRISIL
Bank Borrowings	CARE A-/Stable	CARE Limited
Commercial Papers	CARE A1-	CARE Limited
Commercial Papers	CRISIL A1-	CRISIL
Long Term Sub-Debt	CARE A-/Stable	CARE Limited
Long Term Sub-Debt	CRISIL AA-/Negative	CRISIL
Long Term Sub-Debt	ICRA A-/Negative	ICRA Limited
Long Term-NCD	BWR AA-/Stable	Brickwork Ratings
Long Term-NCD	ICRA A-/Negative	ICRA Limited
Long Term-NCD	CRISIL AA-/Negative	CRISIL
Long Term-NCD	CARE A-/Stable	CARE Limited
Perpetual - Debt	BWR A-/Stable	Brickwork Ratings

(iii) Details of incremental borrowings during the year ended March 31, 2021

Particulars	Details
Incremental borrowing done in FY (a)	3,750.00
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	937.50
Actual borrowings done through debt securities in FY (c)	3,750.00
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Nil
Reasons for short fall, if any, in mandatory borrowings through debt securities	NA



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

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.

For the half year and year ended March 31, 2021

(₹ in million)

(a) Respective amounts in SMA/overdue categories, where the moratorium deferment was extended, in terms of paragraph 2 and 3 (Outstanding amount as at March 31, 2021)	2,897.80
(b) Respective amount where asset classification benefits is extended (Outstanding amount as at March 31, 2021)	2,636.80
(c) Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	240.70
(d) Provisions adjusted against slippages in terms of paragraph 6 of the circular	143.00
(e) Residual provisions as on March 31, 2021 in terms of paragraph 6 of the circular	97.70

For the half year and year ended March 31, 2020

(a) Respective amounts in SMA/overdue categories, where the moratorium deferment was extended, in terms of paragraph 2 and 3 (Outstanding amount as at March 31, 2020)	1897.00
(b) Respective amount where asset classification benefits is extended (Outstanding amount as at March 31, 2020)	445.80
(c) Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	23.40
(d) Provisions adjusted against slippages in terms of paragraph 6 of the circular	-
(e) Residual provisions as on March 31, 2020 in terms of paragraph 6 of the circular	23.40
(v) In accordance with the instructions in the RBI circular dated April 7, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated Rs. 6.7 million and made provision for refund / adjustment.	

(vi) Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	42	119.40	-	-	10.80
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>42</b>	<b>119.40</b>	<b>-</b>	<b>-</b>	<b>10.80</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

(vii) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021 and as at March 31, 2020.

55. Figures of the previous year have been regrouped / reclassified wherever necessary to conform to current year 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

Place : Mumbai  
Date : June 4, 2021



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

Rajat Avasthi  
MD & CEO  
DIN: 07969623

Manish Dhanuka  
Chief Financial Officer

Deepak Mittal  
Director  
DIN: 00010337

Riddhi Parekh  
Company Secretary  
Membership No. A20867