

Edelweiss Retail Finance Limited

Annual Report 2017- 2018

Edelweiss Retail Finance Limited

Financial Statement for the year ended March 31, 2018

Board of Directors

Mr. Mitul Bhagvandas Shah	- Independent Director
Mr. Sanjay Nathalal Shah	- Independent Director
Mr. Anil Kothuri	Non-Executive Director
Mr. Krishnaswamy Siddharth	Non-Executive Director
Ms. Shalinee Mimani	Non-Executive Director

Chief Executive Officer

Mr. Arun Kumar Nayyar

Chief Financial Officer

Mr. Vineet Mahajan

Company Secretary

Ms. Sudipta Majumdar

Statutory Auditors

Price Waterhouse, Chartered Accountants LLP

Registered Office

Edelweiss House,
OFF C.S.T. Road, Kalina,
Mumbai- 400 098.
Corporate Identity No.:
U67120MH1997PLC285490
Tel: +91 22 4009 4400;
Fax: +91 22 4019 4925;
Email: Rfcompliance@edelweissfin.com

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001, Maharashtra
Tel: 022- 4080 7000
Fax: 022 6631 1776/ 4080 7080
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

Registrar & Transfer Agents:

Link Intime India Pvt Ltd
C 101, 247 Park L B S Marg, Vikhroli West,
Mumbai 400 083, Maharashtra.
Tel No: +91 22 49186000
Fax: +91 22 49186060
E-mail : ganesh.jadhav@linkintime.co.in
Website: www.linkintimeco.in

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Gachibowli, Hyderabad-500 032, Telangana
Tel: +91 40 6716 2222; Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Website: www.karisma.karvy.com

BOARD'S REPORT

To the Members of Edelweiss Retail Finance Limited,

The Directors hereby present their 21st Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2018:-

Financial Highlights

(₹ in million)

Particulars	2017-18	2016-17
Total Income	3676.22	2,535.34
Total Expenditure	3196.32	2,046.04
Profit before tax	479.90	489.30
Provision for tax (including Deferred Tax)	(163.04)	169.84
Profit after tax	316.86	319.46
Add: Profit and Loss account balance brought forward from previous year	515.37	259.80
Profit available for appropriation	832.23	579.26
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	63.37	63.89
Surplus carried to Balance Sheet	759.87	515.37

Dividend

Your Directors do not recommend any dividend for the financial year ended March 31, 2018. Out of profit for the year, ₹ 63.37 million has been transferred to Special Reserve under Section 45-IC of the RBI Act, 1934 and the balance has been transferred to Reserves & Surplus.

Information on the state of affairs of the Company

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report as annexed to this Report as Annexure B and is in accordance with the provisions of the RBI Circular Nos. RBI/2014-15/299 DNBR (PD) CC No 002/03.10.001/2014-15 dated November 10, 2014 and DNBR (PD) CC. No. 029/03.10.001/ 2014-15 April 10, 2015 on Revised Regulatory Framework for NBFC.

Holding/Subsidiary Company

M/s. Edelcap Securities Limited (holding 70.45%) is the Holding Company of the Company. M/s Edelweiss Financial Services Limited is holding 22.57% equity of the Company, which is also holding 100 % equity of Ecap Equities Limited who in turn holds 100 % equity in Edelcap Securities Limited. Indirectly, Company is a subsidiary of Edelweiss Financial Services Limited. The Company does not have any subsidiary or Associate Company.



Share Capital

During the year under review, the Company had allotted following equity shares on Rights Basis:

- i. 50,00,000 Equity Shares of ₹ 10 for cash at a premium of ₹ 90 per share to Edelcap Securities Limited on September 21, 2017
- ii. 50,00,000 Equity Shares of ₹ 10 for cash at a premium of ₹ 90 per share to Edelweiss Financial Services Limited on January 31, 2018

Consequently, the Paid-up Share Capital and Authorised Share Capital of the Company stands at ₹ 429.50 million and ₹ 500 million respectively.

Debenture Redemption Reserve

In respect of privately placed Non-Convertible Debentures (NCD), no Debenture Redemption Reserve (DRR) is required in terms of the clarification issued by Ministry of Corporate Affairs by Notification dated June 18, 2014 as the Company is registered as Non-Banking Finance Company with Reserve Bank of India.

The Company had completed the public issue of Non-Convertible Debentures (NCDs) aggregating to Rs. 4916 million during financial year 2017-18. In terms of the provisions of the section 71 of the Companies Act, 2013 read with relevant circulars as amended upto date, the Company has created DRR on all outstanding publicly placed debentures. Accordingly, the Company has transferred Rs. 8.99 million during the current year to DRR.

There were Nil non-convertible debentures which have not been claimed by the Investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption.

Finance

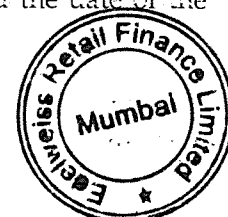
Your Company continued to borrow funds from various Banks. The Company enjoys credit rating from various Rating Agencies. The credit ratings reflect the Company's financial discipline and prudence. The details of the credit ratings are furnished in the Notes to the Financial Statements.

Loans, Investments and Guarantees

Particulars of loans given and investments made are provided in the Notes to the Financial Statements. Corporate guarantee given by the Company in relation to securitisation transactions is Rs. 328.98 million (Previous year: Rs. 322.58 million).

Material changes and commitments, if any, affecting the financial position of the company

There has been no Material changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate (i.e. March 31, 2018) and the date of the report i.e. May 23, 2018.



Extract of the Annual Return

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the extract of the Annual Return in the prescribed Form MGT - 9 is provided in Annexure A to this Report.

Related Party Transactions

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of Act are provided in the Form AOC-2 under Annexure-C which forms part of this Report. All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. All the Related Party Transactions as required under AS-18 are reported in the Notes to the Financial Statements.

The company has also framed the related party transaction policy in this regard and copy of the same is enclosed and marked as Annexure-C.1. The Policy is uploaded on the Company's website at the link: <https://www.edelweissretailfin.com>

Internal Control System and Internal Financial Controls

The Company has in place adequate internal financial control with reference to financial statement. The Company also has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Directors and Key Managerial Personnel

i. Board of Directors

At present the Board of Directors consists of Mr. Mitul Bhagvandas Shah, Mr. Sanjay Nathalal Shah, Mr. Anil Kothuri, Mr. Krishnaswamy Siddharth and Ms. Shalinee Mimani.

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given requisite declaration that they meet the criteria of independence as provided in the said section.

ii. Retirement by Rotation of the Directors

Mr. Anil Kothuri retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

iii. Key Managerial Personnel

The Company has following persons Key Managerial Personnel (KMPs) of the Company as per provisions of the Companies Act, 2013 (the Act) and the Rules framed thereunder:-

Mr. Arun Kumar Nayyar - Chief Executive Officer
Mr. Vineet Mahajan - Chief Financial Officer
Ms. Sudipta Majumdar - Company Secretary



Board Meetings

During the financial year 2017-18, five (5) board meetings were held: May 16, 2017, August 1, 2017, September 11, 2017, November 2, 2017 and January 22, 2018. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Committees of the Board

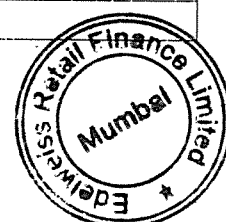
The following are 13 Committees constituted by the Board:

- i) Audit Committee;
- ii) Risk Management Committee;
- iii) Asset Liability Management Committee(ALCO);
- iv) Corporate Social Responsibility Committee(CSR);
- v) Nomination and Remuneration Committee(NRC);
- vi) Operations Committee;
- vii) Investment Committee;
- viii) Identification Committee;
- ix) Review Committee;
- x) Securities IPO Committee;
- xi) IT Strategy Committee; and
- xii) IT Steering Committee

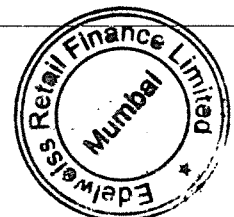
The Composition of Board and Committees were as under:

S. No.	Name	Designation
1	Mr. Mitul Bhagvandas Shah	Independent Director
2	Mr. Sanjay Nathalal Shah	Independent Director
3	Mr. Anil Kothuri	Non-Executive Director
4	Mr. Krishnaswamy Siddharth	Non-Executive Director
5	Ms. Shalinee Mimani	Non-Executive Director

S. No.	Name of the Committee	Composition
1.	Audit Committee	1. Mr. Anil Kothuri 2. Mr. Sanjay Nathalal Shah 3. Mr. Mitul Bhagvandas Shah
2.	Risk Management Committee	1. Mr. Anil Kothuri 2. Mr. Krishnaswamy Siddharth 3. Ms. Shalinee Mimani 4. Mr. Vineet Mahajan 5. Mr. Arun Kumar Nayyar 6. Mr. Karthik Balasubramanian 7. Mr. Sachin Bawari
3.	Asset Liability Management Committee	1. Mr. Anil Kothuri 2. Mr. Krishnaswamy Siddharth 3. Mr. Arun Nayyar



		4. Mr. Vineet Mahajan
		5. Ms. Shalinee Mimani
		6. Mr. Vikas Mohan Srivastava
		7. Mr. Karthik Balasubramanian
		8. Mr. Sanjay Mishra
		9. Mr. Sachin Bawari
		10. Ms. Sudipta Majumdar
4.	Nomination And Remuneration Committee	1. Mr. Sanjay Nathalal Shah
		2. Mr. Mitul Bhagvandas Shah
		3. Mr. Krishnaswamy Siddharth
5.	Corporate Social Responsibility Committee	1. Mr. Anil Kothuri
		2. Mr. Krishnaswamy Siddharth
		3. Mr. Sanjay Nathalal Shah
6	Operations Committee	1. Mr. Anil Kothuri
		2. Mr. Krishnaswamy Siddharth
		3. Ms. Shalinee Mimani
7.	Investment Committee	1. Mr. Anil Kothuri
		2. Mr. Krishnaswamy Siddharth
		3. Mr. Vineet Mahajan
		4. Mr. Arun Nayyar
8.	Identification Committee	1. Mr. Krishnaswamy Siddharth
		2. Ms. Shalinee Mimani
		3. Mr. Sachin Bawari
9.	Review Committee	1. Mr. Arun Kumar Nayyar
		2. Mr. Mitul Bhagvandas Shah
		3. Mr. Sanjay Nathalal Shah
10	Securities IPO Committee	1. Mr. Anil Kothuri
		2. Mr. Krishnaswamy Siddharth
		3. Mr. Vineet Mahajan
		4. Ms. Shalinee Mimani
11	IT Strategy Committee	1. Mr. Sanjay Nathalai Shah
		2. Mr. Arun Nayyar
		3. Mr. K Siddharth
		4. Mr. Rajat Goel
		5. Mr. Amit Saraswat

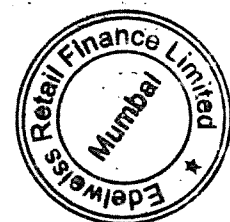


12	IT Steering Committee	1. Ms. Shalinee Mimani
		2. Mr. Amit Saraswat
		3. Mr. Rajat Goel

Meetings

Table containing details of meetings of Board, various committees & members along with dates are as below:

S. No.	Name of the Meeting	No. of meetings	Date of Meetings
1	Board of Directors	5	May 16, 2017 August 01, 2017 September 11, 2017 November 02, 2017 January 22, 2018
2	Audit Committee	4	May 16, 2017 August 01, 2017 November 02, 2017 January 22, 2018
3	Risk Committee	4	May 15, 2017 August 01, 2017 November 01, 2017 February 01, 2018
4	Asset Liability Management Committee	6	April 26, 2017 May 19, 2017 July 20, 2017 September 21, 2017 November 01, 2017 March 22, 2018
5	Nomination and Remuneration Committee	1	May 16, 2017
6	Corporate Social Responsibility Committee	2	May 16, 2017 March 23, 2018
7	Operations Committee	11	April 05, 2017 May 16, 2017 July 28, 2017 July 31, 2017



			August 28, 2017 September 21, 2017 October 06, 2017 November 07, 2017 December 26, 2017 January 31, 2018 February 07, 2018
8	General Meeting	2	August 29, 2017 January 22, 2018
9	Independent Directors Meeting	1	May 16, 2017
10	Securities IPO Committee	5	January 22, 2018 February 16, 2018 February 27, 2018 March 13, 2018 March 22, 2018

Note: No meeting held for Resource Mobilization Committee, Investment Committee, Identification Committee, Review Committee, IT Strategy & Steering Committee.

ATTENDANCE OF DIRECTORS/MEMBERS AT BOARD AND COMMITTEE MEETINGS

As per Standard 9 of the Secretarial Standard on Meetings of the Board of Director ('SS-1') issued by the Institute of Company Secretaries of India ('ICSI'), the attendance of Directors at Board and Committee meetings held during the financial year 2017-18 is provided as under:

Name of Director	BM		ACM		RMC		ALCO		CSR		NRC		IPO		OC	
	H	A	H	A	H	A	H	A	H	A	H	A			H	A
Anil Kothuri	5	5	4	4	4	4	6	6	2	2	NA	N A	5	5	11	11
K. Siddharth	5	5	NA	NA	4	4	6	6	2	2	1	1	5	5	11	11
Shalinee Mimani	5	5	NA	NA	4	4	6	6	NA	NA	NA	N A	5	5	11	11
Mitul Bhagvandas Shah	5	5	4	4	N A	NA	NA	NA	NA	NA	1	1	N A	N A	N A	N A
Sanjay Nathalal Shah	5	5	4	4	N A	NA	NA	NA	2	2	1	1	N A	N A	N A	N A

H- Held; A- Attended

Remuneration Policy

The Company has framed a Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The Policy is provided as an **Annexure D** to this Report.



Evaluation of the Performance of the Board

The Board has formulated an Evaluation Policy (the Policy) for evaluating the performance of the Board, Managing Director, Executive Directors, Independent Directors, Non-executive Directors and its Committees. Based on the same, the performance was evaluated for the financial year ended March 31, 2018.

The Policy *inter alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

Directors' Responsibility Statement

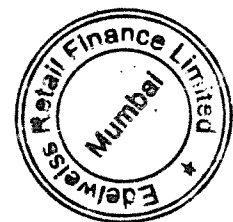
Pursuant to Section 134 of the Companies Act, 2013 (the Act), your Directors confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) we had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the financial year ended on that date;
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) internal financial controls have been laid down and the same are adequate and were operating effectively; and
- (vi) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The Audit Committee of the Board of Directors of the Company comprises of the following Directors:-

- | | |
|---------------------------|--------------------------|
| Mr. Mitul Bhagvandas Shah | - Independent Director |
| Mr. Sanjay Nathalal Shah | - Independent Director |
| Mr. Anil Kothuri | - Non Executive Director |



The majority of the members of the Committee are Independent Directors with management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of Section 177 of the Companies Act, 2013.

Corporate Social Responsibility Committee (CSR Committee)

In accordance with the provisions of the Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as its members:-

Mr. Sanjay Nathalal Shah	- Independent Director
Mr. Anil Kothuri	- Non Executive Director
Mr. Krishnaswamy Siddharth	- Non Executive Director

The constitution and terms of reference of the CSR Committee include the matters specified in Section 135 of the Act.

The CSR Policy of the Company is uploaded on www.edelweissretailfin.com. Further details in this regard are provided in Annexure E to this Report.

The Company is a subsidiary of Edelcap Securities Limited and it is a subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 177.84 million (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.

Auditors & Auditors Report

The members of the Company at the 20th Annual General Meeting (AGM) of the Company held on August 29, 2017, had appointed M/s Price Waterhouse LLP, Chartered Accountants, as the Auditors of the Company till the conclusion of the 20th AGM of the Company to be held in the year 2017, subject to ratification of their appointment at every AGM.

They have resigned as the Statutory Auditors of the Company due to other time bound and compelling assignments. Board accordingly recommends the appointment of M/s. S. R. Batliboi & Co. LLP as statutory auditors of the Company for period of 5 years from the conclusion of ensuing annual general meeting till the Annual General Meeting to be held in 2023 subject to ratification of their appointment at every annual general meeting.

The Company has received consent from the M/s. S. R. Batliboi & Co. LLP and confirmation to that effect that they are not disqualified to be appointed as the Auditors of the Company in terms of the provisions of the Companies Act, 2013 and rules made thereunder.

The Auditors' Report is without any qualification, adverse remark, reservation or disclaimer. The observations of the Auditors in their report read together with the Notes on



Accounts are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

Secretarial Audit

The Board had appointed M/s. Sanjay Grover & Associates, Company Secretaries, as Secretarial Auditor, to conduct the secretarial audit for the financial year ended March 31, 2018. The Report of the Secretarial Auditor is provided as an Annexure F to this Report.

Sexual harassment of Women at Workplace

The Company has framed a Policy on Prevention of Sexual Harassment at workplace. There were no cases reported during the year ended March 31, 2018 under the Policy.

Disclosure pertaining to Remuneration

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed with this report as Annexure-G & G.1.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

A. CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- (ii) the steps taken by the Company for utilising alternate source of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- (iii) the capital investment on energy conservation equipments - Nil

B. TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption - The minimum technology required for the business has been absorbed.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed; and
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
- (iv) the expenditure incurred on Research and Development - Not Applicable



C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there were no foreign exchange earnings and outgo (previous year: nil).

Other Disclosure

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat Equity Shares, as there were no transactions on these matters during the year ended March 31, 2018. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future.

Risk Management

The Risk Management Committee constituted by the Board of Directors of the Company has framed and implemented a Risk Management Policy.

Whistle Blower Policy/Vigil Mechanism

The Company has a Whistle Blower Policy for employees to report genuine concerns/grievances. The Policy provides for the adequate safeguards against the victimization of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

Resource Mobilization

Your Company continued to borrow funds in the form of Term loan and Working Capital from banks and in the form of Non Convertible Debentures (NCDs) on private and public placement basis.

Your Company has been able to avail new long term loans from Banks amounting to Rs.10,350 million with tenor up to 5 years.

Your Company also prepaid high cost term loans amounting to Rs. 475 million with a view to improve the overall cost of debt.

Your Company has striven to work within the ALM requirements as prescribed by Reserve Bank of India (RBI) and approved by the Board.

A. Private Placement

During the year under review, your Company issued 1,000 Secured Non-Convertible Debentures of Rs. 1,000,000 each aggregating to Rs. 1,000 million on a private placement basis. The NCDs are listed on BSE Limited.

During the year under review, NCDs amounting to Rs. 100 crores were due for redemption, which have been redeemed by your Company on its due date.



B. Public Issue

Your Company issued 4,916,217 Secured Non-Convertible Debentures of Rs. 1,000 each aggregating to Rs. 4,916 million through public issue. The NCDs are listed on both National Stock Exchange Limited and BSE Limited.

Subordinate/ Perpetual Debt

During the year under review, your Company also completed issuance of Unsecured Subordinate Non-Convertible Debentures aggregating to Rs. 1,240 million and Unsecured Perpetual Non-Convertible Debentures aggregating to Rs. 450 million on a private placement basis. The NCDs are listed on BSE.

The Subordinate Debt issuance is for a tenor of 10 years whereas the Perpetual Debt issuance has an embedded Call Option every year from the end of 10 years from the date of issuance. The issuances have helped to augment the long term capital requirements of your Company.

During the year under review, NCDs were neither due nor outstanding for redemption.

Ratings

Your Company's long term and short term debt instruments and bank loans are rated by Brickworks, ICRA and CARE, which are as under:

Instrument category	CRISIL	SMERA	ICRA	CARE	Brickworks	Brickworks
Long term instruments	AA/Stable	AA/Stable	AA	AA	BWR AA	BWR AA+
Short term instruments	A+	NA	A1+	A1+	NA	NA

Assignment of Loans

During the current year, your Company entered into direct assignment transaction for portfolio sell down amounting to Rs. 509 million. Your Company plans to securitize/assign regularly going forward.

Branch Expansion

During the year under review, the Company opened 67 new branch offices and as at March 31, 2018, the Company had network of 97 branches.



Public Deposits

The Company did not accept any public deposits during the year under review. Therefore, the disclosures as required under the Companies Act, 2013 and the Rules framed thereunder and RBI Directions are not applicable.

Fraud

Nil frauds were detected during the year.

Change in Nature of Business

During the year under review, there was no change in the nature of business.

Statutory Disclosures

None of the Directors of your Company is disqualified as per provision of section 164(2) of the Companies Act, 2013. The Directors of the Company have made necessary disclosures, as required under various provisions of the Companies Act, 2013.

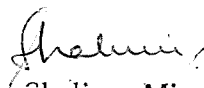

Human Resource-Initiatives

During the year under review, a lot of focus was given to engaging employees at the branch level by conducting structured interactions at the branch manager level and sharing the company's long term perspective and their role within. New behavioural training programs were introduced to widen the scope of learning and development activity. The employee engagement survey done at the corporate level continued to reveal high scores strengthening our value of people first even further.

Acknowledgments

The Board of Directors wish to acknowledge the continued support extended and guidance given by Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Ministry of Corporate Affairs, Banks, other Government authorities and other stakeholders. The Board would like to acknowledge the support of its clients and members. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

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


Shalinee Minani
Director
DIN: 00177945
Krishnaswamy Siddharth
Director
DIN: 02463804

Mumbai, May 23, 2018

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U67120MH1997PLC285490
Registration Date	February 18, 1997
Name of the Company	EDELWEISS RETAIL FINANCE LIMITED
Category / Sub-Category of the Company	Public Company limited by shares
Address of the Registered office and contact details	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400098, Maharashtra; Tel: +91 22 4009 4400; Fax: +91 22 40194925; E-mail: Rfcompliance@edelweissfin.com Website: www.edelweissretailfin.com
Whether listed company Yes / No	Yes; the Non-convertible Debentures of the Company are listed on BSE Limited & National Stock Exchange Limited
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park , L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India; Tel No: +91 22 49186000 Fax: +91 22 49186060; Website: www.linkintimeco.in Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032, Telangana; Tel: +91 40 6716 2222; Fax: +91 40 2343 1551 Website: www.karisma.karvy.com



Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Registered Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai-400098, Maharashtra ☎ +91 22 4009 4400 ☎ +91 22 4019 4925

www.edelweissretailfin.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
•	Financing activity	649	91.91

As per National Industrial Classification- Ministry of Statistics and Programme Implementation
 \$ On the basis of Gross Income

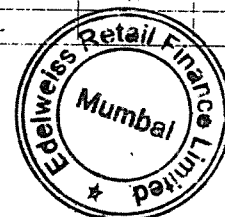
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Edelcap Securities Limited(ESL) Address:2nd Floor, ME Towers, Plot No 5, Road No 2, Banjara Hills, Hyderabad - 500034	U67120AP2008PLC057145	Holding	70.45	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF									
b) Central Govt									



c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Body corporate	-	32,950,000	32,950,000	100	-	42,950,000	42,950,000	100	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	32,950,000	32,950,000	100	-	42,950,000	42,950,000	100	Nil
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	32,950,000 *	32,950,000 *	100	-	42,950,000	42,950,000	100	Nil
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
Indian	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
• Individual shareholders holding nominal share capital	-	-	-	-	-	-	-	-	-



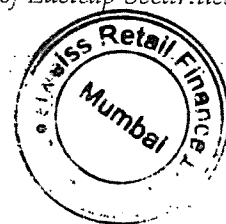
upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
• Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	32,950,000*	32,950,000*	100	-	42,950,000*	42,950,000	100	Nil

* Includes six individual shareholders who are holding one share each as nominee of Edelcap Securities Ltd.

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			
	No. Of Shares	% of Total Shares of the company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
Edelcap Securities Limited*	25,258,333	76.66	Nil	30,258,333	70.45	Nil	(6.21)
Edelweiss Financial Services Limited	4,691,667	15.66	Nil	9,691,667	22.57	Nil	6.91
Edelweiss Finvest Private Limited	30,00,000	9.10	-	30,00,000	6.98	Nil	(2.12)
Total	32,950,000	100	Nil	42,950,000	100	Nil	Nil

* Includes six individual shareholders who are holding one share each as nominee of Edelcap Securities Ltd.



Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Registered Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai-400098, Maharashtra ☎+91 22 4009 4400 ☎+91 22 4019 4925

www.edelweissretailfin.com

(iii) Change in Promoters' Shareholding during the FY 2017-18:

Shareholding during the FY 2017-18.					
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Edelcap Securities Limited*				
	At the beginning of the year	25,258,333	76.66	25,258,333	76.66
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc)	i.Allotment of 50,00,000 equity shares on September 21, 2017 to Edelcap Securities Ltd. ii.Allotment of 50,00,000 equity shares on January 31, 2018 to Edelweiss Financial Services Limited	(6.21)	i.Allotment of 50,00,000 equity shares on September 21, 2017 to Edelcap Securities Ltd. ii.Allotment of 50,00,000 equity shares on January 31, 2018 to Edelweiss Financial Services Limited	(6.21)
	At the End of the year	30,258,333	70.45	30,258,333	70.45
2	Edelweiss Financial Services Limited				
	At the beginning of the year	46,91,667	14.24	46,91,667	14.24
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc).	i.Allotment of 50,00,000 equity shares on September 21, 2017 to Edelcap Securities Ltd. ii. Allotment of 50,00,000 equity shares on January 31, 2018 to Edelweiss Financial Services Limited	8.32	i. Allotment of 50,00,000 equity shares on September 21, 2017 to Edelcap Securities Ltd. ii. Allotment of 50,00,000 equity shares on January 31, 2018 to Edelweiss Financial Services Limited	8.32
	At the End of the year	96,91,667	22.57	96,91,667	22.57
3	Edelweiss Finvest Private Limited				
	At the beginning of the year	30,00,000	9.10	30,00,000	9.10



Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).	i. Allotment of 50,00,000 equity shares on September 21, 2017 to Edelcap Securities Ltd.	(2.12)	i. Allotment of 50,00,000 equity shares on September 21, 2017 to Edelcap Securities Ltd.	(2.12)
	ii. Allotment of 50,00,000 equity shares on January 31, 2018 to Edelweiss Financial Services Limited		ii. Allotment of 50,00,000 equity shares on January 31, 2018 to Edelweiss Financial Services Limited	
At the End of the year	30,00,000	6.98	30,00,000	6.98

*Includes six individual shareholders who are holding one share each as nominee of Edelcap Securities Ltd.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
 (₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
• Principal Amount	9867.95	992.46	-	10,860.41
• Interest due but not paid	-	-	-	-
• Interest accrued but not due	267.15	37.35	-	304.50
Total (i+ii+iii)	10135.10	1,029.81	-	11,164.91
Change in Indebtedness during the financial year				
• Addition	17,858.87	2,964.99	-	20,823.86
• Reduction	(4,155.04)	(732.47)	-	(4,887.51)
Net Change	13,703.83	2,232.52	-	15,936.35
Indebtedness at the end of the financial year				



• Principal Amount	23,571.78	3,224.98	-	26,796.76
• Interest due but not paid	-	-	-	-
• Interest accrued but not due	241.86	125.02	-	366.88
Total (i+ii+iii)	23,813.64	3,350.00	-	27,163.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-NIL

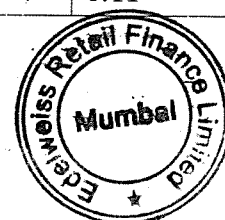
Sl. no.	Particulars of Remuneration	Total Amount		
		Managing Director	Whole Time Director/Manager	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify (Bonus)	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			*

* In terms of the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Circulars issued thereunder, the remuneration paid to the Managing Directors and the Executive Directors is within the ceilings prescribed.

B. Remuneration to other directors:

(₹ in million)

Particulars of Remuneration	Name of Directors		Total Amount
1. Independent Directors	Mr. Mitul Shah	Mr. Sanjay Shah	
• Fee for attending board / committee meetings	0.22	0.22	0.44
• Commission	-	-	-
• Others, please specify	-	-	-
Total (1)	0.22	0.22	0.44



2. Other Non-Executive Directors	-	-	-
• Fee for attending board / committee meetings	-	-	-
• Commission	-	-	-
• Others, please specify	-	-	-
Total (2)	-	-	-
Total (B)=(1+2)	0.22	0.22	0.44
Total Managerial Remuneration(A+B)	-	-	0.88
Overall Ceiling as per the Act			Refer note

Note: The total managerial remuneration within the ceilings prescribed.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : (₹. in million)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. Arun Kumar Nayyar	CFO Mr. Vineet Mahajan	Company Secretary Ms. Sudipta Majamdar	Total
1.	Gross salary				
(a)	Salary as per provisions contained in sec. 17(1) of the Income-tax Act, 1961	19.50	11.74	0.70	31.94
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.0396	-	0.0396
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	19.50	11.78	0.70	31.98



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

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



Shalinee Mimani
 Director
 DIN: 07404075



Krishnaswamy Siddharth
 Director
 DIN: 02463804

Mumbai, May 23, 2013

**Edelweiss Retail Finance Limited (ERFL)
FY2017-18**

Management Discussion & Analysis Report

MACRO ECONOMY: REVIEW AND OUTLOOK

FY18 was one of the better years for global economy and markets. Accelerating growth, easy liquidity, and contained inflation resulted in strong rally in risk assets with low volatility. This was in sharp contrast to FY17, which sprang many surprises such as Brexit, Trump being elected as US president etc.

Global economy continued to build on the cyclical turnaround which started in FY17. Economic growth became more broad-based resulting in an improvement in global trade, industrial activity, global FDI, business confidence. While, the global growth remained strong, the rising trade protectionism is coming to fore again. While FY17 saw more of political rhetoric on trade protectionism, some policy action was visible during FY18 and any aggressive steps towards this can undermine global growth.

For India as well, the improvements in Global economy resulted in an improved export performance. FY18 was also a more eventful year for India with reforms continuing to take place. The much awaited GST was finally implemented in the year and though the implementation did lead to initial hiccups, things are getting better now.

Another area where significant progress has been made is tackling the issue of Non-Performing Assets (NPAs) and PSU bank re-capitalisation. Insolvency Resolution Board was setup, large NPA accounts were identified & prioritized and action started to resolve the NPA problem. Re-capitalisation funds of INR 2.1tn were allocated to meet up the requirement of capital deficient PSU banks.

Impact of continued reforms is visible in an improvement in India's rank of ease of doing business and sovereign rating upgrade (first in last 14 years). This should over time yield benefits in terms of higher FDI and lower cost of capital.

As far as business cycle conditions are concerned, things are on the improving path. Domestic economy is recovering from the initial hiccups of GST, credit growth has started to improve, inflation remains benign, and broadly speaking fiscal also remains comfortable. The rise in crude oil prices does pose some downside risk to India's macro environment. In terms of flows in FY18, FDI flows continued to remain stable at ~USD36bn and portfolio flows have remained strong at ~USD22bn, significantly higher than ~USD8bn in FY17.

On the monetary side, RBI maintained its neutral stance throughout the year. Hence, it cut rates only by 25bps, despite FY18 CPI being ~3.5% (50bps lower than its medium term target). INR remained strong during most of the year, with average FY18 INR/USD rate at 64.50 compared to FY17 average of 67.00.

Overall Outlook

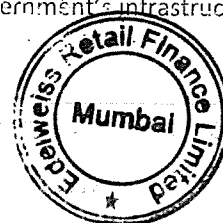
Overall the macro-fundamentals of the economy remain in comfortable zone albeit with increasing risk from rising crude oil prices. Economic conditions have improved amid rebound in exports and government's push towards infrastructure spending.

Going ahead we believe growth trajectory to remain strong and improve further based on rebound in exports and stabilisation of GST regime. Rural economy should also get a fillip with IMD forecasting FY19 to be the third consecutive year of normal monsoon. Most importantly, we expect Banking sector NPA problems, which have been haunting the economy for last 7 years, to finally end owing to a quicker resolution of stressed assets and PSU bank recapitalisation.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Commercial Credit Markets

After a subdued growth in Indian banking sector in FY17 (non-food credit at sub 5% levels), credit growth started to improve in FY18 with non-food credit at 11% levels. This should further improve in FY19 owing to PSU bank recapitalisation, resolving NPA issues, and government's infrastructure push.



Given the magnitude of the asset quality issue in banks, the government has pro-actively worked with RBI on the resolution of stressed assets. RBI also strictly dealt with all the banks, both in public and private sector, which showed a divergence in their asset quality compared to the assessment made by RBI. Now that banks have started providing adequately for distressed assets and IBC has come in play, resolution and turnaround should happen over the next couple of years. As the economy continues to recover, re-capitalisation of banks will help provide capital for bank credit growth in future.

NBFC Industry

While commercial banks continued to remain dominant source of credit in India, the NBFC sector has been steadily gaining systemic importance with increase in assets from less than 11% of banking assets in FY09 to over 14% now. Though the banking sector was beset with worsening asset quality in FY17, NBFCs could restrict the impact in their portfolios due to their ability to respond quickly as well as availability of a higher collateral cover.

The early part of fiscal year saw an interim blip in their performance following demonetisation, but recovery following that has also been very swift and the situation is back to normal. Indeed, NBFCs have emerged even stronger post this. The growing relevance of the NBFCs also highlights the emphasis of risk management in the sector. Going ahead, comfortable capital adequacy, control on asset quality and conservative liquidity management will continue to provide comfort to the credit profile of NBFCs.

Retail Finance

While corporate growth continued to be under pressure, retail segment continues to maintain momentum. Most of the NBFCs and HFCs continue to scale up their portfolio focusing on housing finance, LAP, SME finance and consumer finance. Within these segments housing continues to do well and also entails huge potential given a) government / regulator thrust, and b) supporting demographic factors etc.

The other scalable area is SME finance. Looking at Indian market, SMEs continue to be under-banked and NBFCs are increasingly turning towards this sector. Thus, the potential for NBFCs and HFCs to scale up their business remains significant.

EDELWEISS RETAIL FINANCE LIMITED OVERVIEW

Edelweiss Retail Finance Limited (ERFL) was formerly known as Affluent Dealcom Private Limited (ADL) which was incorporated on February 18, 1997. It was an NBFC registered with the Reserve Bank of India bearing Registration number 05.03052 authorised to commence/carry on the business of a non-banking financial institution subject to the conditions given in the Certificate. The Company was acquired by Edelcap Securities Limited (ESL) and was converted into a public limited company with the name changed to "Affluent Dealcom Limited" on receipt of a fresh certificate of incorporation consequent to change in status on January 1, 2014 from the Registrar of Companies, West Bengal. Subsequently the Company's name was changed to "Edelweiss Retail Finance Limited" pursuant to fresh certificate of Incorporation dated January 6, 2014.

Subsequently, ERFL obtained a Certificate of Registration dated October 14, 2014 bearing Registration no. B-05.03052 issued by the Reserve Bank of India under section 45IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of a non banking financial institution without accepting public deposits subject to the conditions mentioned in the Certificate of Registration.

The registered office of the Company was shifted from the state of West Bengal to Maharashtra pursuant to Certificate of Registration of Regional Director order for Change of State dated September 2, 2016 and fresh Certificate of Registration dated January 4, 2017 bearing Registration no. B-13.02149 has been issued by the Reserve Bank of India, Mumbai.

It is a systemically important NBFC (NBFC – ND – SI).



We are part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around three broad business groups – Credit businesses including Retail Credit, Corporate Credit and Distressed Credit, Franchise & Advisory businesses including Wealth Management, Asset Management and Capital Markets, and Insurance including Life Insurance and General Insurance.

Today, ERFL is a Rs.31 billion asset base company with presence in all the significant areas of retail finance businesses including SME finance, Loan against Property and Rural Finance.

FINANCIAL PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS FOR FY18

A summary of our FY18 financial highlights is as under:

- Total Revenue Rs.2,676 million (Rs.2,535 million for FY17), up 45%
- Profit after Tax Rs.317 million (Rs.319 million for FY17), down 1%
- Networth as per Balance Sheet Rs.4,347 million (Rs.3,135 million at the end of FY17)
- Return on Average Equity 8.62% (10.88 % for FY17)
- EPS Rs.8.71 (Rs.10.08 for FY17) (FV Rs.10 per share)
- Book Value per Share Rs.37.60 (FV Rs.10 per share)

INCOME

Fund Based Revenue

Our fund-based businesses earned revenue of Rs.3,404 million for FY18 (Rs.2,348 million for FY17), up 45%. Out of this, interest income was Rs.2,331 million (Rs.2,338 million for FY17) which is also up 45% YoY. Thus, almost all of the fund based revenue comprises of interest earnings.

Agency Fee & Commission

Our agency fee & commission revenue was Rs.272 million for the year, compared to Rs.187 million in FY17, up 45%.

Net Revenue

For NBFCs, like banking industry, the concept of Net Revenue (net of interest cost) is another way of analyzing performance. This is because interest cost, as with all Banks and large NBFCs/HFCs, should reflect above the expenses line. On a net revenue basis, our Agency fee & commission for FY18 was Rs.272 million (Rs.187 million for FY17) and Fund based net revenue, i.e. net of interest cost, all the interest cost being for fund based revenue, was Rs.1,803 million (Rs.1,187 million for FY17). Thus the total net revenue for FY18 was Rs.2,075 million (Rs.1,374 million for FY17), up 51%.

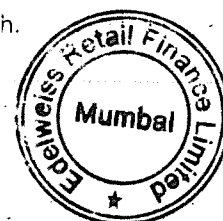
EXPENSES

Our total costs for FY18 was Rs.3,196 million (Rs. 2,046 million in FY17), up 56%. Within our total costs, operating expenses accounted for Rs.1,241 million in FY18 (Rs.656 million for FY17) as we continued to invest in building our business and infrastructure. Our employee expenses increased from Rs.216 million in FY17 to Rs.340 million in FY18 as we added about 301 employees during the year taking our total headcount to 525 at the end of FY18. As regards interest expense which grew 38% from Rs.1,161 million in FY17 to Rs.1,501 million in FY18, our borrowings at the end of FY18 were Rs.26,797 million compared to Rs.10,860 million at the end of FY17, up 147%. The scale up of our assets size via a higher borrowing during FY18 resulted in increase in the interest cost.

PROFIT AFTER TAX

Our Profit after Tax for FY18 was Rs.317 million compared to Rs.319 million for FY17, down 1%.

Our Profit before Tax margin for FY18 was 12% and Profit after Tax margin 9% compared to 19% and 13% respectively for FY17. Margins have suffered during FY18 due to a higher costs necessitated due to investment in building infrastructure and hiring employees for future growth.



Balance Sheet Gearing

We believe that a strong balance sheet imparts unique ability to our company to be able to meet demands of our clients and be able to raise debt capital whenever required. ERFL has a total net worth of Rs.4,347 million as at the end of FY18 compared to Rs.3,135 million at the end of FY17. Amount of debt on the Balance Sheet as on March 31, 2017 was Rs.26,797 million (Rs.10,860 million as on March 31, 2016), a Gearing Ratio of 6.16 times. The comfortable leverage allows us enough headroom to continue to grow and invest in business. The gross Balance Sheet size at the end of FY18 was Rs.34,010 million compared to Rs.15,517 million a year ago.

BUSINESS PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY18 are as under:

CREDIT BUSINESS

Credit business of ERFL broadly offers SME Finance, Loan against Property and Rural Finance. These products provide us with the intended diversification in our business thereby reducing the concentration risk. Retail segment loans also provide the desired potential for scaling up in a vast underpenetrated market like India.

Total credit book of ERFL stands at Rs.32,447 million at the end of this year compared to Rs.14,737 million at the end of previous year, up 120%.

The composition of Credit Book is as under:
(Rs. in million)

Product/Segment	Book size as on March 31, 2018	Book size as on March 31, 2017
Loan against Property	9,354	4,536
SME Loans	18,603	9,300
Rural Loans	1,638	137

Equipment Finance	1,139	624
Construction Finance	1,658	-
Others	55	140
Total Loan Book	32,447	14,737

Our Net Interest Margin (NIM) on the credit book for FY18 is 7.38%.

As a result of strict adherence to conservative credit appraisal, constant collateral monitoring and best-in-class risk management, ERFL has managed to control its asset quality satisfactorily. Our Gross NPLs were at 1.07% and Net NPLs at 0.95% at the end of FY18 compared to Gross NPLs at 0.42% and Net NPLs at 0.36% at the end of FY17. During FY18, a few of our borrowers did face some cash flow issues due to slow return of growth, resulting in increase in our gross non performing loans to Rs.346 million at the end of FY18 compared to Rs.62 million at the end of FY17. Our Provision Cover Ratio as per the RBI regulations as on March 31, 2018 was 11% compared to 14% as at the end of FY17. We continue to focus on risk management and achieving growth in the book without diluting risk standards.

SME Finance

Small and Medium Enterprises (SMEs) are extremely essential to the Indian Economy. They account for almost 40% of India's domestic production, around 50% of the total exports and 45% of the industrial employment. They are also the second largest employers of manpower, after agriculture. Thus they need large amounts of capital to run their operations, which they acquire through the financing provided by NBFCs, Banks and the Government.

Edelweiss launched SME finance during FY12 as this sector is underfinanced and credit plays a crucial role in the growth of this sector. The business currently operates in 88 major locations which account for a large part of the addressable SME market. The SME loans book size at the end of FY18 in ERFL is Rs.18,603 million compared to Rs.9,300 million at



the end of FY17, a growth of 100%. Equipment Finance loan book size grew 83% from Rs.624 million in FY17 to Rs.1,139 million in FY18. During the year, we significantly expanded our footprint across India by taking the total number of ERFL branches to 88 at the end of FY18 compared to 17 at the end of FY17. The total number of our SME clients as at the end of FY18 was ~12,750 compared to ~6,200 a year ago. We have also stepped up our hiring for this business and are looking at significant growth in SME lending business going forward.

Given the sizeable contribution of SMEs to the Indian Economy, this business presents a significant opportunity to build a highly profitable and scalable business.

Loans against Property

Loan against Property (LAP) is a convenient way of borrowing by salaried or self-employed persons and SMEs and NBFCs account for a major chunk of the market share in this space. The loan is collateralised by either residential or commercial property and interest rates on such loans are lower as compared to personal loans. Thus, borrowers can get funds against the value of the collateral at a relatively lower interest rate as compared to personal loans.

Edelweiss started LAP business as a part of Retail Finance business in FY12 and the LAP loans book size in ERFL at the end of FY18 is Rs.9,354 million compared to Rs.4,536 million at the end of FY17, up 106%.

Rural Finance

Edelweiss diversified its retail loans product portfolio by foraying into Rural Finance in December 2013 as a part of the strategy to serve all the sections of the society. As at the end of FY18, we provided Rural Finance in the nature of Micro Finance across beneficiaries in around 3,000+ villages in and around Tamil Nadu and various other states. Our Rural Finance portfolio serves over 3,33,000 beneficiaries at the end of FY18. These loans are provided in partnership with various channel partners. The Rural Finance book in ERFL at the end of FY18 was

Rs.1,638 million compared to Rs.137 million at the end of FY17.

BALANCE SHEET MANAGEMENT

From its earliest days, ERFL has recognised this and has always focused its energies in creating a strong balance sheet. A strong capital base provides us the freedom and ability to deploy capital for scaling up our business. A strong balance sheet also enables us easier access to market borrowings on the back of a strong credit rating. It also helps in confidence building exercise with our lenders.

Changing Liabilities Profile in Sync with Asset Profile

ERFL has over the period of last two years embarked on a strategy of reducing dependence on group borrowings, diversify its sources of borrowing and increase liabilities in the six months to five years bucket thereby bringing down dependence on short term borrowings. Towards this end, FY18 witnessed its maiden retail bonds issuance of Rs.5 billion, thus becoming the third company of Edelweiss group to raise public debt. In addition, ERFL also raised Rs. 1.70 billion of subordinated debt during FY18 to shore up its Tier 2 capital. ERFL also contracted around Rs.10.35 billion of medium to long term debt by way of Bank term loan. ERFL's total medium to long term liabilities contracted during FY18 stand at Rs. 17.96 billion.

We maintain a matched ALM as we keep changing the profile of our liabilities in sync with the assets being booked.

Capital Adequacy Ratio

As per the Non Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs-ND-SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio ("CRAR") of 15%. ERFL's CRAR as on March 31, 2018 was 16.36% with a Tier I Ratio of 11.89% compared to CRAR of 18.67% and a Tier I Ratio of 17.90% as on March 31, 2017.



OPPORTUNITIES

The strides India has made in the last year on the structural front with major reforms like GST, Insolvency and Bankruptcy Code (IBC) and RERA have helped create a sound base for the growth trajectory going forward. The government has done well to continue its reforms agenda after Jan Dhan and Housing for All. All of these steps have been roundly appreciated in the global arena with the improvement in the Ease of Doing Business ranking as well as the ratings upgrade by Moody's. The global economy is also continuing to recover. These developments augur well for growth of financial services and credit in India for firms like ours and offer immense opportunities in FY19 and beyond as under:

- Indian economy is already stabilising and various projections for growth by World Bank or IMF etc. indicate that India will grow at 7%+ in FY19 and continue to outperform other economies. This would open up vast opportunities for us to grow our credit portfolio.
- A welcome shift of access to credit from only large business houses to SMEs, MFIs, middle and low income groups has led to democratisation of credit opening up a vast section of eligible borrowers for credit institutions. This augurs well for companies like ours which have already secured a strong foothold in retail credit segment.
- Social, Mobility, Analytics and Cloud Computing (SMAC) are the emerging trends in technology. Government initiatives in respect of Digital India and move towards formal and cashless economy will also open up new client segments and newer delivery channels which firms like ours can tap for future growth.

THREATS

While the opportunities landscape is promising, the following threats could dampen the growth of financial services sector in India:

- Global economy could slip into turmoil if the current trade and tariffs war between USA and China intensifies.

- Slower than expected recovery of macro-economy, domestically as well as globally, or delay in revival of capex cycle can impede the growth.
- Impending Lok Sabha and a number of State elections could lead to populist measures by the government impacting fiscal discipline with consequent effect on the domestic economy.
- While the monsoon is predicted to be normal this year, any unforeseen failure of the monsoon can hinder the recovery in rural economy.

OUTLOOK & STRATEGY

The Indian economy is back on the growth path having regained its 7%+ growth rate, structural reforms, notably GST, are starting to show results and corporate recovery is seeing green shoots as well. Amidst all this, long-term trends which will propel India's growth continue to strengthen. Democratisation of credit, financialization of assets and privatisation of the economy will together lead to a compounding effect, in turn doubling India's GDP from USD 2.5 trillion in 2018 to USD 5 trillion in 2025. Financial Services including credit will continue to be a standout performer in this golden age of compounding.

In this significant growth scenario, we are well-gearred to take advantage of the unfolding opportunity. Our retail credit products have gained traction. With the foundation we have laid, we are well placed to achieve good growth in the years to come by following our time tested strategy of focusing on key vectors in our journey in future -- people management, cost management, risk management, technology, simplicity and customer obsession.

ENTERPRISE GROUPS

The business of ERFL is controlled and supported by a core of Enterprise Groups that provide consistent quality and rigour to key process functions. Various steps taken by us to improve efficacy of Enterprise functions are detailed below.



RISK MANAGEMENT

The business activities of ERFL are exposed to various risks that are either inherent to the business or have their genesis in changes to external environment

Risk management has been core to Edelweiss since we began our journey. By embedding risk management into the DNA of the organisation, we ensure that the first line of defence starts from each individual.

Respect for Risk is central to every business decision at Edelweiss. Simple questions are necessary to be answered before every decision i.e. "Is it worth it?" and "Can we afford it?". To support the risk strategy and effective risk management, we have built an in-house "Eight-risk framework" coupled with "Four-tiered risk governance structure" which protects Edelweiss and ensure that there are enough defences available to control all types of risk events.

It is the constant endeavour of Edelweiss to heighten risk awareness and effectiveness of risk management. We share the same ethos in regard to Risk as our parent group.

We have the business risk team within our company which ensures implementation of risk philosophy and practices at business level. Our risk team also ensures that necessary action is taken to make certain that identified risks are adequately addressed.

Key Risks

ERFL deals in multiple asset classes and client segments and is thus exposed to various risks that can be broadly classified as credit risk, market risk and operational risk.

Credit Risk

The credit risk framework of ERFL ensures prior and periodic comprehensive assessment of every client, counterparty and collateral. Exposure limits are sanctioned to counterparties based on their credit worthiness. Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits. Effective credit risk

management has enabled us to steer through environmental stress conditions without any major impact.

Market Risk

ERFL faces the usual market risks on the liabilities as well as assets side. In order to monitor such market risk, a comprehensive set of reports and limits has been put in place that track positions, value at risk and duration of assets. The risk framework ensures that the risks are monitored and necessary timely action is taken for every single instance of breach, in case they occur.

Additionally, the asset liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also pro-actively modify our liabilities profile in sync with the changing assets profile to ensure that we do not carry any material asset liability mismatch.

Operational Risk

Operational risk framework of ERFL is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, we constantly review all critical processes to proactively identify weak controls and strengthen the same.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

As per the Companies Act, 2013, the companies need to ensure that they have laid down internal financial controls and that such controls are adequate and were operating effectively. Towards this end, we at ERFL have always adopted a risk balancing approach. ERFL has an Internal Control System, well commensurate with its size, scale, nature and complexity of operations. The Company conducts its internal audit within the parameters of regulatory framework including preparation and execution of annual internal audit plan.



Internal Audit

Internal Audit follows Generally Accepted Audit Practices, Internal Audit Standards, analytical procedures etc. and ensures compliance with section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.

Internal Control

Our Internal Control Procedures include monitoring compliance with relevant matters covered under section 134(1)(e) of the Companies Act 2013.

Internal Control Policies

Edelweiss Group has institutionalised a strong compliance culture across all the Business Group recognising that transparency and trust amongst all its stakeholders can be achieved only through this. We share the common resources of Compliance Group of Edelweiss that ensures compliance with all the applicable laws or policies.

HUMAN RESOURCES

Edelweiss group is a cross-cultural mosaic and our strength lies in our diversity everywhere, within teams and across businesses. Our diversity makes us a stronger organization by bringing in fresh ideas, perspectives, experiences and fostering a truly collaborative workplace. The sense of ownership each one of us has displayed over the years is a testament to the culture of entrepreneurship we have tried to foster in Edelweiss. We share the Edelweiss group HR philosophy.

Highlights of our HR initiatives in FY18 are as under:

- We ended FY18 with a total headcount of 525, up from 224 as of March 31, 2017, as we significantly scaled up our hiring to grow our business.

- As growth comes back gradually, we have added people at all levels. We also added number of employees for our enterprise groups to meet the challenges of increasing scale and complexity of our business.

Amongst our much strength, we must count our performance appraisal system, which has helped to instil fairness and development orientation in the organisation. The process of Performance Appraisal is based on evaluations against pre-set and clearly documented goals and has stood the test of time.

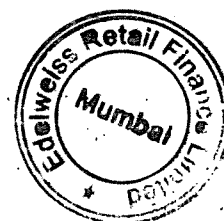
CUSTOMER EXPERIENCE

In today's digital world, a customer has multiple options. Growth will accrue to organisations which succeed in giving a truly memorable customer experience. At Edelweiss, Customer Experience (CX) is regarded as a key pillar of business success. Traditionally, Edelweiss has taken a problem-solving based approach to improving CX across its businesses, focusing on:

- Who is the Customer?
- What is their Need?
- How can we address that Need in the best possible way?

This was captured in our group motto "Suno Samjho Suljhao".

With this group philosophy in sight, we continued to build a culture of customer-centric thinking across ERFL. To drive this agenda, we have also instituted wide ranging corporate structure changes across the group. Through these efforts, we are responding to evolving customer needs, and institutionalizing these processes across the organisation, to ensure a superlative experience for all our customer segments, throughout the value chain.



CREDIT RATINGS

ERFL enjoys the following Credit Ratings:

Rating Agency	Facility	Rating
Crisil	Long Term Bank Facilities	CRISIL AA/Stable
ICRA	Long Term Bank Facilities	[ICRA] AA
BWR	Long Term Debt Programme	BWR AA
BWR	Long Term Debt Programme	BWR AA+
CARE	Long Term Debt Programme	CARE AA
Crisil	Long Term Debt Programme	CRISIL AA/Stable
ICRA	Long Term Debt Programme	[ICRA] AA
SMERA	Long Term Debt Programme	SMERA AA/Stable
CARE	Short Term Debt Programme	CARE A1+
Crisil	Short Term Debt Programme	CRISIL A1+
ICRA	Short Term Debt Programme	[ICRA] A1+

All ratings are current as on March 31, 2018.

Cautionary Statement

Statements made in this Management Discussion and Analysis may contain certain forward looking statements based on various assumptions on the ERFL and Edelweiss Group's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. ERFL has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed. The presentation relating to business wise financial performance, balance sheet, asset books of ERFL and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding.

For and on behalf of the Board of Directors

Edelweiss Retail Finance Limited



Shalinee Mirmani

Director

DIN: 07464975



Krishnaswamy Siddharth

Director

DIN: 02453804

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Not applicable

- (a) Name(s) of the related party and nature of relationship:
 (b) Nature of contracts/arrangements/transactions:
 (c) Duration of the contracts / arrangements/transactions:
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 (e) Justification for entering into such contracts or arrangements or transactions:
 (f) date(s) of approval by the Board:
 (g) Amount paid as advances, if any:
 (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

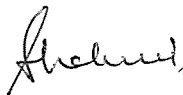
2. Details of material contracts or arrangement or transactions at arm's length basis-

(Rs. Million)						
S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangement s/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1.	Edelweiss Commodities Services Limited Fellow Subsidiary	Unsecured Loan	1 year		*N.A.	Nil
		Loan taken		₹ 5171.46		
		Loan repaid		₹ 4628.94		
2.	Edelweiss Housing Finance Limited (Fellow Subsidiary)	Service Fees	1 year	₹ 0.05	*N.A.	Nil

*These transactions were approved by Audit Committee.

Mumbai, May 23, 2018

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


 Shalinee Mimani
 Director

(DIN: 07404075)


 Krishnaswamy Siddharth
 Director

(DIN: 02463804)

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Edelweiss
Ideas create, values protect

Policy on Related Party Transactions

Edelweiss Retail Finance Limited
CIN: U67120MH1997PLC285490
Regd. Office: Edelweiss House,
Off. C.S.T Road, Kalina,
Mumbai-400098,
Maharashtra

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1. Preamble

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Guidelines on Corporate Governance issued by the Reserve Bank of India, the Board of Directors (the "Board") of Edelweiss Retail Finance Limited (the "Company" or "ERFL"), has adopted the Policy on Related Party Transactions ("the Policy").

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

2. Objective

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. Definitions

The Related Party shall be as defined under the Companies Act, 2013 and the Rules framed thereunder and the applicable Accounting Standards.

"Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Relative" means relative as defined under Section 2(77) of the Companies Act, 2013. A person shall be deemed to be the relative of another if he or she is related to another in any one of the following manner:

- i. Member of the Hindu Undivided Family
- ii. Spouse
- iii. Father
- iv. Mother
- v. Son
- vi. Son's wife
- vii. Daughter
- viii. Daughter's husband
- ix. Brother
- x. Sister.



ANNEXURE C-1



Key Managerial Personnel (KMP) mean key managerial personnel as defined under the Companies Act, 2013 and includes-

- i. the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
- ii. the Company Secretary;
- iii. the Chief Financial Officer; and
- iv. Such other person as may be specified as KMP from time to time.

"Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation – For the purposes of this clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

"Related Party Transactions" means any transaction involving transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged and includes -

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of, or buying property of any kind;
- c. Leasing of property of any kind;
- d. Availing or rendering of any services;
- e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
- f. Such related party's appointment to any office or place of profit in the Company or associate Company;
- g. Providing or obtaining guarantees and collaterals.

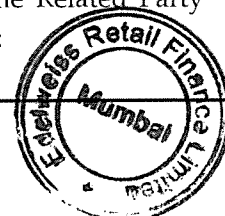
(The above is an indicative list and not an exhaustive one)

Explanation: A transaction with a Related Party shall be deemed to include single transaction or a group of transactions in a contract.

"Material Related Party Transactions" means any transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

4. Review and approval of the Related Party Transactions

1. The Audit Committee (the Committee) of the Board shall review and, if considered appropriate, approve the Related Party Transactions. While considering the Related Party Transactions, the following information shall be presented to the Committee:



ANNEXURE C-1



- (i) the name of the Related Party and the basis on which such person or entity is a Related Party;
- (ii) the Related Party's interest in the transactions, including the Related Party's position or relationship with, or ownership of, any entity that has an interest in the transactions;
- (iii) the approximate monetary value of the transactions of the Related Party's interest in the transactions;
- (iv) general description of the transactions, including material terms and conditions, if any;
- (v) in the case of a lease or other transactions, providing for periodic payments or installments, the aggregate amount of all periodic payments or installments to be made;
- (vi) in the case of loan, the aggregate amount of loan and the rate/amount of interest payable on such loan;
- (vii) in case of guarantees issued, the aggregate amount of guarantees and commission, if any, to be payable on such guarantees;
- (viii) an assessment of whether the transactions are on terms that are comparable with the terms available to unrelated parties or to the employees generally; and
- (ix) any other material information regarding the transactions or the Related Party's interest in the transactions.

The transactions shall be approved only if it is determined by the Committee that such transactions are:

- (i) in the best interests of the Company and its shareholders;
- (ii) to be entered into by the Company (or its subsidiary or associate entity) on terms that are comparable to those that would be obtained in arm's length transactions with unrelated parties; and
- (iii) In the ordinary course of the business of the Company.

Ordinary course of business means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

2. No member of the Committee shall participate in the review, consideration or approval of any Related Party Transactions with respect to which such member or any of his/her relative is a Related Party.
3. If any material information with respect to such transactions shall change subsequent to the Committee's review of such transactions, the Committee shall be presented with the updated information for its approval.



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4. If any additional Related Party Transactions is proposed to be entered into subsequent to the Committee's approval, management shall present such transactions to the Committee for approval before entering into such transactions.

Approval of the Board

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Omnibus Approval of the Audit Committee

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- i) The Committee shall lay down the criteria for granting the omnibus approval in line with the Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (ii) The Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- (iii) Such omnibus approval shall specify:-
 - a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - b) the indicative base price / current contracted price and the formula for variation in the price if any, and
 - c) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

 - d) The Committee shall review, at least on a quarterly basis, the details of the Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given; and
 - e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Related Party Transactions not approved under the Policy

In the event of entering into a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the



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Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under the Policy, and shall take any such action it may deem fit.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements as specified in the Policy.

Related Party Transactions not previously approved

Where any contract or arrangement is entered into by a Director or any other employee of the Company with a Related Party, without obtaining the necessary approvals and if such transaction is not ratified by the Committee, Board or, as the case may be, by the Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract/arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it. The Company may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of the Policy for recovery of any loss sustained by the Company as a result of such contract or arrangement and shall take any such action, it may deem fit.

Registers and the Disclosures

The Company shall keep and maintain a Register, physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which the Policy applies.

Every Director and the KMP shall, from time to time make the necessary disclosures to the Board, a period of 30 days of his appointment, or relinquishment of his office in other Companies/Firms/bodies corporate, as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the Register maintained in this regard.



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The Register shall be preserved permanently and shall be kept in the custody of the Company Secretary/Chief Financial Officer of the Company or any other person authorised by the Board for the purpose.

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis.

This Policy will also be uploaded on the website of the Company and shall be disclosed in the Annual Report.

Review

This Policy shall be reviewed by the Audit Committee as and when any changes are to be made in the Policy. Any changes or modification in the Policy as recommended by the Committee shall be presented to the Board for their approval.



Remuneration Policy

Objective

The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees. While appointing the Directors, the Nomination and Remuneration Committee, considers qualification, positive attributes, areas of expertise and number of Directorships in other companies and such other factors as it may deem fit. The Board considers the Committee's recommendation, and takes appropriate action.

The objective of the Remuneration Policy (the Policy) of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other Senior level employees of the Company.

The objective of this Policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to the Directors, KMPs and senior management comprises a balance of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Remuneration of the Independent Directors & Non- executive Directors

- The Independent Directors & Non-executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for stock options.
- The Non-executive Directors (other than promoter Directors) shall be eligible for stock options.



Remuneration of the Managing Director & Executive Directors

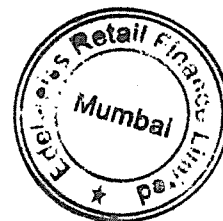
- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director/Executive Directors is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Executive Directors (other than the promoter Directors) shall be eligible for stock options.

Remuneration of the KMP (other than Executive Directors) and Senior level employees

- The key components of remuneration package of the KMP (other than Executive Directors) and Senior level employees shall comprise of fixed salary, perquisites, annual bonus, other benefits and allowances and contribution to Funds, etc.
- They shall be eligible for stock options.

Policy Review

- The Policy may be amended as may be necessary.
- The NRC shall implement the Policy, and may issue such guidelines, procedures etc as it may deem fit.



Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

The CSR Policy of the Company is uploaded on the website www.edelweissretailfin.com

2. The Composition of the CSR Committee is as under:-

Mr. Anil Kothuri	- Non Executive Director
Mr. Krishnaswamy Siddharth	- Non Executive Director
Mr. Sanjay Nathalal Shah	- Independent Director

3. Average net profit of the Company for last three financial years: Rs. 359.50 million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 7.2 million.

5. Details of CSR spent during the financial year: 2.5 million

(a) Total amount to be spent for the financial year: Rs. 7.2 million

(b) Amount unspent, if any: Rs. 4.7 million



(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in million)

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
			(1) Local area or other		Sub - heads		
			(2) Specify the State and district where projects or programs was undertaken		(1) Direct expenditure on projects or programs	(2) Overheads:	
1.	Vrutti	Livelihood	Clundwara, Madhya Pradesh and Puddukottai, Tamil Nadu	0.90	0.90	0.90	
2.	Foundation for Promotion of Sport and Games	Women Empowerment	Mumbai, Maharashtra	0.62	0.62	0.62	Implementing agency- Edelgive Foundation
3.	Masoom	Education	Mumbai, Maharashtra	0.12	0.12	0.12	
4.	Shoshit Sewa Sangh	Education	Bihar	0.86	0.86	0.86	
	Total			2.50	2.50	2.50	




6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report-

The Company is a subsidiary of Edelkap Securities Limited and indirectly it is wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm "EdelGive Foundation" in the year 2008. As an amount of Rs. 177.84 million (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.

7. A responsibility statement of the CSR Committee -

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

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



Shalinee Mimani
Director
DIN: 07404075



Krishnaswamy Siddharth
Director
DIN: 02463804

May 23, 2018



**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

(CSR POLICY)

Edelweiss Retail Finance Limited
CIN: U67120MH1997PLC285490
Regd. Office: Edelweiss House,
Off. C.S.T Road, Kalina,
Mumbai-400098,
Maharashtra

Introduction:

Edelweiss Retail Finance Limited (ERFL) is a non-deposit taking Non-Banking Financial Company whose ultimate holding company is Edelweiss Financial Services Limited (EFSL). Edelweiss Group is one of India's leading diversified financial services Group. EFSL along with its subsidiaries offers a large range of products and services spanning across asset classes and consumer segments.

Edelweiss Group's businesses are broadly divided into Credit including Retail Finance and Debt Capital Markets, Financial Markets including Asset Management, Commodities and Life Insurance.

Short title & Applicability:

This policy is titled as the 'Corporate Social Responsibility Policy' and it shall apply to all CSR initiatives and activities taken up by the company for the benefit of the society.

CSR Philosophy and Vision Statement:

To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

Scope of the activities:

- i. Eradicating hunger, poverty and malnutrition, promoting healthcare and sanitation.
- ii. Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled.
- iii. Promoting gender equality empowering women, establishing of old-age homes, day care centers and such other facilities for senior citizens and majors for reducing inequalities in socially and economically backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- vi. Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports.
- vii. Relief to victims of natural calamities like earth-quake, cyclone, drought & flood situation in any part of the country either directly or through contribution to recognized relief funds.

The above list is illustrative and not exhaustive. The CSR committee of Board of Directors is authorized to consider also CSR activities which not included in this list.

It is clarified that, all the aforesaid activities or programs shall be undertaken in India only and also that such programs and activities shall not be designed to benefit only the employees of the Company and their families.

Funding & Allocation:

For achieving its CSR objectives, ERFL shall allocate such amount of its average Net Profits as may be approved by the Board of Directors, as its Annual CSR Budget in each Financial Year.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made thereof as amended from time to time. Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the next year, i.e. the CSR budget will be non-lapsable in nature.

It is clarified that the surplus arising out of CSR projects or activities shall not form part of the business profit of the Company.

Implementation:

CSR programmes of ERFL may be undertaken by ERFL directly or by the EdelGive Foundation, a fellow subsidiary, as may be decided by the CSR Committee and the Board of Directors of the Company.

EdelGive Foundation (EdelGive) is the strategic philanthropic arm of the Edelweiss Group and was registered as a charitable company under Section 25 of the Companies Act, 1956. It has been established to drive large-scale sustainable change in the social sector.

EdelGive seeks to build a strong and high impact social sector for a better India by leveraging the capacity and capital of the for-profit world to equip and enable the social sector to achieve the greatest impact on the lives of the poor.

EdelGive makes efficient investments in nonprofits through grant funding. Each investment involves intensive due diligence along with efficient monitoring and evaluation processes. EdelGive works closely with select NGOs to effectively tackle organizational development challenges and as such, utilizes the expertise and skills of Edelweiss Group employees to provide solutions to investee NGOs in the areas of strategic planning, financial sustainability, human resources and technology.

EdelGive Engagement:

EdelGive Foundation shall utilize the funds received from ERFL towards projects undertaken in compliance with this CSR policy. Each project shall be adopted after clearly defining the objectives, activities, key performance indicators, monitoring and evaluating tools, and impact measurement techniques to be used.

EdelGive Foundation shall periodically report to the CSR Committee, details of projects undertaken by it in compliance with Section 135 of the Companies Act, 2013.

The EdelGive Approach:

- **Investing for Impact:** Manages philanthropy based on the Venture Philanthropy model. Accordingly, measures the impact of the support extended to investee Nonprofits through a tangible framework, which includes emphasis on measurable outcomes, achievement of objectives, financial accountability and management competencies.

- **Advisory Services, Knowledge Sharing and Capacity Building:** Provides tailored advisory services based on deep sectoral knowledge and information sharing network as well as capacity-building initiatives to maximize impact.
- **Effective Platform:** Works as a zero cost platform to build networks and facilitate grant funding between the corporate sector and non-profit sector. All administrative expenses are borne by Edelweiss.
- **Professional Management:** The Foundation is professionally managed by a dedicated team that has extensive for-profit, commercial expertise as well as social and grassroots experience. The team carrying out the CSR initiatives is deeply committed to their causes and communities.

Current sectors of Focus of EdelGive Foundation:

- **Education:** The Foundation is focused to go beyond literacy and enrolment and work on projects seeking to improve the public delivery system, particularly with respect to learning outcomes and competencies and shifts in attitudes and aspirations. The projects shall have high level of involvement with stakeholders and shall include life skills education that is crucial for vulnerable groups in deprived communities.
- **Livelihoods:** EdelGive seeks to enhance income levels and employability through models that aim to reduce the social and economic vulnerability of rural communities. This involves creating and enhancing sustainable livelihood opportunities in the area by harnessing the right resources as well as providing financial inclusion services to rural communities.
- **Women's Empowerment:** EdelGive supports women-centric programmes that are designed to empower both adolescent girls and women through education and livelihood initiatives.

Monitoring:

- To ensure effective implementation of the CSR programmes undertaken by EdelGive, a monitoring mechanism will be put in place.
- The progress of CSR programmes undertaken will be reported by EdelGive to CSR Committee on a quarterly basis and the CSR Committee shall review the progress of activities.
- ERFL shall enter into an agreement with EdelGive for the arrangement of undertaking CSR activities on its behalf
- CSR initiatives of the Company will also be reported in the Annual Report of the Company.

Miscellaneous:

In case of any doubt with regard to any provision(s) of the policy, a reference can be made to CSR Committee of Board of Directors. In all such matters, the interpretation & decision of the CSR committee of the Board of Directors shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Board may review the policy from time to time and make suitable modifications, as may be necessary.

SANJAY GROVER & ASSOCIATES

COMPANY SECRETARIES

B-88, 1st Floor, Defence Colony, New Delhi - 110 024
Tel. : (011) 4679 0000, Fax : (011) 4679 0012
e-mail : contact@cssanjaygrover.in
website : www.cssanjaygrover.in

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

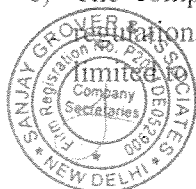
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Edelweiss Retail Finance Limited
(CIN: U67120MH1997PLC285490)
Edelweiss House, Off. C.S.T Road,
Kalina, Mumbai City, 400098.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Retail Finance Limited** (hereinafter called "the Company") whose debt securities are listed. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.



SANJAY GROVER & ASSOCIATES

- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) *Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (c) ¹The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

¹ Equity shares of the Company are not listed on any recognized stock exchanges and only debt securities are listed on BSE Limited and National Stock Exchange of India Limited; as per the management, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 are not applicable *per se* on Company.



SANJAY GROVER & ASSOCIATES

*No event took place under this regulation during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India which the Company has generally complied with.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

(vi) The Company, being a Non-Banking Financing Company registered under Section 45-IA of the Reserve Bank of India Act, 1934, under the category of loan company (without acceptance of public deposits). As informed by the management, following are the laws which are specifically applicable on the Company:-

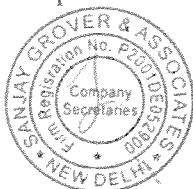
- The Reserve Bank of India Act, 1934; and
- Various circulars, guidelines and regulations made under the Reserve Bank of India Act, 1934.

We have checked the Compliance Management System of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the Compliance Management System of the Company seems adequate to ensure compliance of laws specifically applicable to it.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Advance notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.



SANJAY GROVER & ASSOCIATES

- We further report that** there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- i. The shareholders of the Company in their Annual General Meeting held on 29th August, 2017, passed the resolution(s):
 - a. pursuant to section 180(1)(a) and section 180(1)(c) of the Act, for borrowing monies from time to time and mortgaging or charging the company's undertaking and property or any part thereof to secure such borrowing up to a limit for the time being remaining undischarged of Rs. 3000,00,00,000/- Crore (Rupees Three Thousand Crores Only) [apart from temporary loans obtained from the Company's banker in the ordinary course of business] even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed the aggregate of the paid up share capital of the Company and its free reserve, that is to say, reserves not set apart for any specific purpose; and
 - b. pursuant to section 42 of the Act, to issue, offer and allot Non-Convertible Debentures with or without security, aggregating to Rs. 1000,00,00,000/- Crores (Rupees One Thousand Crore Only) on private placement basis, in one or more tranches.
- ii. The Board of Directors in their meeting held on September 11, 2017, approved the offer and issue of 50,00,000 (Fifty Lakh) equity shares of face value of Rs. 10 (Rupees Ten Only) each for cash, at a premium of Rs. 90 (Rupees Ninety Only) per share aggregating to an amount not exceeding Rs. 50,00,00,000 (Fifty Crore Only) to the existing shareholders of the Company who will accept this offer on a rights basis.
- iii. The Board of Directors in their meeting held on January 22, 2018, approved the offer and issue of 50,00,000 (Fifty Lakh) equity shares of face value of Rs. 10 (Rupees Ten Only) each for cash, at a premium of Rs. 90 (Rupees Ninety Only) per share aggregating to an amount not exceeding Rs. 50,00,00,000 (Fifty Crore Only) to the existing shareholders of the Company who will accept this offer on a rights basis.
- iv. The Board of Directors in their meeting held on January 22, 2018, approved the offer, issue and allot Secured Non-convertible Redeemable Debentures (the "Debentures" or "NCDs") for an amount not exceeding Rs. 500,00,00,000 (Rupees Five Hundred Crore Only) (including Green Shoe Option, in one or more tranches, if necessary) by way of Public Issue pursuant to the applicable laws for cash to the eligible investors/subscribers and to list the Debentures on one or more stock exchange(s) in India ("Public Issue"), out of which debentures for an amount of Rs. 491,62,17,000/- (Four Thousand Ninety One Crore Sixty Two Lakh Seventeen Thousand) was subsequently allotted by the IPO Committee on March 22, 2018. The trading of Debentures commenced on March 26, 2018 at the BSE Limited.



SANJAY GROVER & ASSOCIATES

- v. The shareholders of the Company in their Extra Ordinary General Meeting held on January 22, 2018, passed the resolution, pursuant to section 180(1)(a) and section 180(1)(c) of the Act, for borrowing monies from time to time and mortgaging or charging the company's undertaking and property or any part thereof to secure such borrowing up to a limit for the time being remaining undischarged of Rs. 4500,00,00,000/- Crore (Rupees Four Thousand Five Hundred Crores Only) [apart from temporary loans obtained from the Company's banker in the ordinary course of business] even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed the aggregate of the paid up share capital of the Company and its free reserve, that is to say, reserves not set apart for any specific purpose.



New Delhi
02nd May, 2018

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No. P2001DE052900


Lokesh Dhyani
Partner
CP. No.:16185

ANNEXURE G

Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

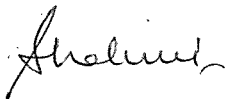
The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as under:

No	Disclosure Requirement	Disclosure Details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	N.A.		
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors/ KMP's	Title	% increase in remuneration
		Mr. Arun Kumar Nayyar	Chief Executive Officer	36
		Mr. Vineet Mahajan	Chief Financial Officer	10
		Ms. Sudipta Majumdar	Company Secretary	33
3	Percentage increase in the median remuneration of employees in the financial year	84%. (The employees who joined the Company in FY 2017-18 are not considered for this purpose.)		
4	Number of permanent employees on the rolls of Company at the end of the year	There were 525 permanent employees on the rolls of the Company as on March 31, 2018.		



5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>Average increase for employees other than managerial personnel who were in employment during FY 16-17 and FY 17-18 the average increase is 52.37%.</p> <p>Average increase for managerial personnel is 25.35%.</p>
6.	Affirmations that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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



Shalinee Mimani
 Director
 DIN: 07404075



Krishnaswamy Siddharth
 Director
 DIN: 02463804

Mumbai, May 23, 2018

ANNEXURE G-1

Annexure to the Board's Report
EDELWEISS RETAIL FINANCE LIMITED
Information as per section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Board's Report for the financial year ended March 31, 2018

a. *The names of the Top 10 employees in terms of remuneration drawn and the name of the employee who was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. One crore two lacs.*

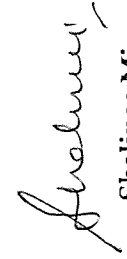
S. No.	Name	Age	Date of commencement of the employment	Designation/Nature of Duty	Qualification	Previous Employment	Employed for (No. of Days)	Gross Remuneration subject to tax (Rs.)	Total experience in years
1	Arun Nayyar	42	November 1, 2011	Executive Vice President	C.A	Samba Financial Group	365	19,49,999	19
2	Vincent Mahajan	43	July 23, 2012	Senior Vice President	C.A	Habitat Housing Finance Ltd.	365	11,74,8712	20


b) *Employed for part of the year and was in receipt of the remuneration for any part of that year, at a rate which, in aggregate, was not less than rupees eight lacs fifty thousand per month.*

Note:

1. None of the employee is related to any Director of the Company and not holding any shares in the Company.
2. Employment terms and conditions are as per the Company's rules.
3. Employees drawing remuneration more than the Managing Director and Executive Directors and hold by himself or along with his spouse and dependent children 2% or more of the equity shares of the Company- Not applicable: the Board of Directors of the Company consist of 3 non-executive Directors and 2 Independent Directors.

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


Shalinee Mimani
Director
DIN: 07404075


Krishnaswamy Siddhartha
Director
DIN: 02463804



Mumbai, May 23, 2018

Edelweiss Retail Finance Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2018

Edelweiss Retail Finance Limited

Financial Statements together with Auditors' Report

For the year ended 31 March 2018

Contents

Auditors' report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to the financial statements

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Edelweiss Retail Finance Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Edelweiss Retail Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
Mumbai - 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT
To the Members of Edelweiss Retail Finance Limited
Report on the Financial Statements
Page 2 of 3

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Retail Finance Limited

Report on the Financial Statements

Page 3 of 3

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 3.29;
 - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts—Refer Note 3.6, 3.10 and 3.32. The Company did not have any derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 02, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Retail Finance Limited on the financial statements for the year ended March 31, 2018

Page 1 of 2

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

1. We have audited the internal financial controls over financial reporting of Edelweiss Retail Finance Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Retail Finance Limited on the financial statements for the year ended March 31, 2018

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 02, 2018

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Retail Finance Limited on the financial statements as of and for the year ended March 31, 2018

Page 1 of 2

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 3.11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185. Therefore, the provisions of section 185 are not applicable to the Company. The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India. Therefore, the provisions of Section 186, except sub-section (1) of Section 186, of the Act are not applicable to the Company.

Further, the Company has not made any investment to the parties covered under Section 186 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iv) of the said Order in respect of Section 186 (1) is not applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute.



Price Waterhouse Chartered Accountants LLP

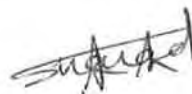
Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Retail Finance Limited on the financial statements for the year ended March 31, 2018

Page 2 of 2

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans and initial public offer (IPO) of debt instruments have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer of equity shares or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided managerial remuneration and accordingly compliance in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non- cash transactions with its directors or persons connected with him / her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non- Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sharad Agarwal
Partner
Membership Number 118522

Mumbai
May 02, 2018

Edelweiss Retail Finance Limited

Balance Sheet

as on 31 March 2018

(Currency : Indian Rupees in Millions)

EQUITY AND LIABILITIES

Shareholders' funds

	Note	As at 31 March 2018	As at 31 March 2017
(a) Share capital	3.1	429.50	329.50
(b) Reserves and surplus	3.2	3,917.24	2,805.43
		<u>4,346.74</u>	<u>3,134.93</u>

Non-current liabilities

(a) Long-term borrowings	3.3	20,898.42	6,588.58
(b) Deferred tax liabilities (net)	3.4	22.96	-
(c) Other long-term liabilities	3.5	211.94	250.87
(d) Long-term provisions	3.6	118.70	95.66
		<u>21,252.02</u>	<u>6,935.11</u>

Current liabilities

(a) Short-term borrowings	3.7	2,867.63	1,751.00
(b) Trade payables	3.8		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		539.31	390.80
(c) Other current liabilities	3.9	4,879.01	3,248.27
(d) Short-term provisions	3.10	124.87	56.74
		<u>8,410.82</u>	<u>5,446.81</u>

TOTAL

34,009.58 15,516.85

ASSETS

Non-current assets

(a) Fixed Assets	3.11		
(i) Property, Plant and equipment		50.11	9.29
(ii) Intangible assets		2.66	3.31
(iii) Intangibles under development		6.06	1.00
(b) Deferred tax assets (net)	3.4	-	21.92
(c) Long-term loans and advances	3.12	19,543.79	7,706.41
(d) Other non-current assets	3.13	3.96	42.00
		<u>19,606.58</u>	<u>7,783.93</u>

Current assets

(a) Trade receivables	3.14	12.14	-
(b) Cash and bank balances	3.15	233.73	72.21
(c) Short-term loans and advances	3.16	13,769.53	7,296.37
(d) Other current assets	3.17	387.59	364.34
		<u>14,403.00</u>	<u>7,732.92</u>

TOTAL

34,009.58 15,516.85

The accompanying notes are an integral part of the financial statements

2&3

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number 012754N/N500016

Chartered Accountants



Sharad Agarwal
Partner

Membership No: 118522

Mumbai
02 May 2018

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



Anil Kothuri
Director
DIN: 00177945



Shalinee Mimani
Director
DIN: 07404075



Vineet Mahajan
Chief Financial Officer

Mumbai
02 May 2018



Sudipta Majumdar
Company Secretary
Membership no - A33961

Mumbai
02 May 2018

Edelweiss Retail Finance Limited

Statement of Profit and Loss

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Fee and commission income	3.18	272.12	187.20
Interest income	3.19	3,380.77	2,338.16
Other income	3.20	23.33	9.98
Total Revenue		3,676.22	2,535.34
Expenses			
Employee benefits expenses	3.21	339.61	215.71
Finance costs	3.22	1,600.79	1,161.19
Depreciation and amortization	3.11	15.01	3.32
Other expenses	3.23	1,240.91	665.82
Total expenses		3,196.32	2,046.04
Profit before tax		479.90	489.30
Tax expense:			
(1) Current tax (includes short provision for earlier years Rs. 3.55 million (Previous year Rs. 0.03 million)		174.57	181.01
(2) Minimum Alternate Tax (MAT) credit entitlement		(56.40)	-
(2) Deferred tax (net)		44.87	(11.17)
Profit for the year		316.86	319.46

Earnings per equity share (Face value Rs. 10 each):

Basic and diluted (in Rupees)

3.26 8.71 10.03

The accompanying notes are an integral part of the financial statements

2&3

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm's Registration Number 012754N/N500016

Chartered Accountants



Sharad Agarwal

Partner

Membership No: 118522

For and on behalf of the Board of Directors

Edelweiss Retail Finance Limited



Anil Kothuri

Director

DIN: 00177945



Shalinee Mimani

Director

DIN : 07404075



Vineet Mahajan

Chief Financial Officer

Mumbai

02 May 2018



Sudipta Majumdar

Company Secretary

Membership no - A33961

Mumbai

02 May 2018

Mumbai

02 May 2018

Edelweiss Retail Finance Limited

Cash Flow Statement

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before tax	479.90	489.30
Adjustments for		
Depreciation and amortisation	15.01	3.32
Provision for standard assets	77.25	9.64
Provision for Restructured advances	(0.12)	2.91
Provision for non performing assets	29.76	(23.79)
Provision for credit loss on securitisation	(26.19)	30.14
Bad-debts and advance written off	287.20	225.54
Loss on sale of Fixed assets(net)	0.32	0.02
Operating cash flow before working capital changes	863.13	737.08
Add / (Less): Adjustments for working capital changes		
Increase in receivable from financing business	(17,997.76)	(1,002.61)
Increase / (Decrease) in other bank balances	44.33	(64.33)
Increase in other loans and advances	(553.40)	(21.11)
Decrease / (Increase) in other current and non current assets	14.77	(225.71)
Increase in liabilities and provisions	1,236.10	358.83
Cash used in operating activities	(16,392.83)	(217.85)
Income taxes paid (net of refund)	(116.51)	(164.80)
Net cash used in operating activities - A	(16,509.34)	(382.65)
B Cash flow from investing activities		
Purchase of fixed assets	(60.96)	(14.51)
Proceeds from sale of fixed assets	0.36	0.47
Net cash used in investing activities - B	(60.60)	(14.04)
C Cash flow from financing activities		
Proceeds from issuance of Share capital	1,090.00	264.00
Expenses on issue of non convertible debentures	(133.44)	-
Premium payable on redemption of non convertible debentures	(27.18)	(90.47)
Redemption of privately placed non convertible debentures	(1,000.00)	(2,000.00)
Proceeds from public issue of non convertible debentures	4,916.22	-
Proceeds from issue of subordinate debt	1,240.00	120.00
Proceeds from private placement of non convertible debentures	1,000.00	-
Proceeds from issue of perpetual debt	450.00	-
Repayment of long term borrowings from related parties	-	(290.00)
Proceeds from term loan from banks	7,800.00	1,750.00
Proceeds from term loan from others	2,550.00	-
Proceeds from short-term borrowings (net) (Refer note 1)	1,116.69	1,194.65
Repayment of term loan from banks	(2,053.50)	(683.90)
Repayment of term loan from Others	(83.00)	-
Net cash generated from financing activities - C	16,775.79	264.28
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	205.85	(132.41)



Edelweiss Retail Finance Limited

Cash Flow Statement

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash and cash equivalents as at the beginning of the year	7.88	140.29
Cash and cash equivalents as at the end of the year (Refer note 3.15)	213.73	7.88

Notes:

- 1 Net figures have been reported on account of volume of transactions
- 2 The Above Cash Flow Statement has been prepared under "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under section 133 of companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014.

The accompanying notes are an integral part of the financial statements

2&3

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number 012754N/N500016

Chartered Accountants



Sharad Agarwal

Partner

Membership No: 118522

Mumbai
02 May 2018

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



Anil Kothari

Director

DIN : 00177945



Shalinee Mimani

Director


DIN : 07404075



Vineet Mahajan

Chief Financial Officer

Mumbai
02 May 2018



Sudipta Majumdar

Company Secretary

Membership no - A33961

Mumbai
02 May 2018

Edelweiss Retail Finance Limited

Notes to the financial statements

1. Background

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

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

2. Significant accounting policies

2.1 *Basis of preparation of financial statements*

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

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

2.2 *Use of estimates*

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.3 Current and non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

- a. It is expected to be settled in the Company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

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

2.4 Revenue recognition

- a. Fees Income (net of Service Tax / Goods and Service Tax) including processing fees are accounted on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b. Processing fee income (net of Service Tax / Goods and Service Tax) on loan against properties is amortised over a period of 7 years or contractual period, whichever is shorter. In case of small & medium enterprises loans (SME), processing fees (net of Service Tax / Goods and Service Tax) collected are amortised over contractual period. The unamortised balance is disclosed under "Other current liabilities" and "Other long term liabilities" based on amortisable tenor. In the event of a loan being foreclosed, securitised, assigned or written off, the unamortised portion of such processing fees is recognised as income at the time of such foreclosure, securitisation, assignment or write off.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.4 Revenue recognition (continued)

- c. Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, wherein it is accounted on realisation, as per RBI guidelines. Loans are repaid by way of Equated Monthly Instalments (EMIs), which comprise of principal and interest. Interest is calculated on outstanding balance at the beginning of a month. EMIs generally commence only after the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is charged every month and is accounted on accrual basis.
- d. Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- e. Dividend income is recognised when the right to receive payment is established.
- f. Penal interest income on delayed EMI or Pre-EMI is recognized on receipt basis.
- g. Charges levied like cheque bouncing charges, loan conversion charges etc are recognized on receipt basis.
- h. Interest income on fixed deposits with banks is recognised on time proportion basis.

2.5 Provisioning on receivables from financing business

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

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

2.6 Fixed assets and depreciation

Property, plant & equipment

Property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment if any. The cost of Property, plant & equipment comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.6 Fixed assets and depreciation (continued)

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

Intangible fixed assets

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

Intangibles such as software are amortised over a period of 3 years or estimated useful life, whichever is shorter life.

2.7 Employee benefits

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

Provident fund

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

Gratuity

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

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

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

Changes in the present value of defined obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

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



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

2.7 Employee benefits (continued)

Compensated Absences

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

2.8 Impairment of assets

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

2.9 Investments

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

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

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

2.10 Loan origination costs

Loan origination costs comprise of costs paid to third party vendors and intermediaries for loan acquisition, processing, field verification, legal evaluation, title search, fraud check, technical valuation, etc. Such origination costs, directly attributable to disbursed loans, except SME, are amortised over 7 years or original contract period, whichever is shorter. SME Loans are amortised over original contractual period. The unamortised balance is disclosed as part of "Long-term loans and advances" and "Short-term loan and advances" based on amortisable tenor. Where the loan is foreclosed, securitised or written off, the unamortised portion of such loan origination costs are recognised as a charge to the statement of profit and loss at the time of such foreclosure, securitisation or write off.



Edelweiss Retail Finance Limited

Notes to the financial statements (*Continued*)

2.11 *Securitisation / Assignment*

The Company enters into securitization/ assignment transactions and assets are derecognized upon sale only if the Company surrenders control over the contractual rights that comprise in the financial assets.

The Company has adopted the accounting policy for securitization / assignment transactions, as notified by RBI in its circular "Revisions to the Guidelines on Securitisation Transactions" issued on August 21, 2012.

Unrealised gain on loan transfer transactions comprises of future interest receivable under par structure of securitisation.

Future interest receivable on loan transfer transaction comprises of Company's share of future interest strip receivables in case of a par structure securitised deals.

2.12 *Current and Deferred Tax*

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

Current tax

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

Deferred tax

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

Minimum Alternate Tax (MAT)

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



Edelweiss Retail Finance Limited

Notes to the financial statements (*Continued*)

2.13 *Earnings per share*

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

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

2.14 *Provisions and contingencies*

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

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

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

2.15 *Borrowing Costs*

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

2.16 *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

2.17 *Foreign Exchange transactions*

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

3.1 Share capital

Authorised:

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

As at
31 March 2018

As at
31 March 2017

500.00

500.00

500.00

500.00

Issued, Subscribed and Paid up::

42,950,000 (Previous year: 32,950,000) Equity Shares of Rs. 10 each, fully paid up

429.50

329.50

429.50

329.50

Movement in share capital

Equity Shares of Rs 10 each fully paid

Outstanding at the beginning of the year

Shares issued during the year

Outstanding at the end of the year

As at 31 March 2018		As at 31 March 2017	
Number of shares	Amount	Number of shares	Amount
32,950,000	329.50	29,950,000	299.50
10,000,000	100.00	3,000,000	30.00
42,950,000	429.50	32,950,000	329.50

During the year the Company issued 50,00,000 fully paid-up equity shares of Rs.10 each at a premium of Rs 90 each for the total consideration of Rs. 500.00 million to Edelweiss Financial Services Limited and 50,00,000 fully paid-up equity shares of Rs.10 each at a premium of Rs 90 each for the total consideration of Rs. 500.00 million to Edelcap Securities Limited.

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

Edelcap Securities Limited, the holding company

Edelweiss Financial Services Limited

Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited)

As at 31 March 2018		As at 31 March 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
30,258,333	70.45%	25,258,333	76.66%
9,691,667	22.57%	4,691,667	14.24%
3,000,000	6.98%	3,000,000	9.10%
42,950,000	100.00%	32,950,000	100.00%

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

Equity Shares of Rs 10 each fully paid

Edelcap Securities Limited

Edelweiss Financial Services Limited

Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited)

As at 31 March 2018		As at 31 March 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
30,258,333	70.45%	25,258,333	76.66%
9,691,667	22.57%	4,691,667	14.24%
3,000,000	6.98%	3,000,000	9.10%
42,950,000	100.00%	32,950,000	100.00%

Rights, preferences and restriction attached to equity shares:

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

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



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

(Currency : Indian Rupees in Millions)

3.2 Reserves and surplus

	As at 31 March 2018	As at 31 March 2017
Capital Reserve	8.18	8.18
Securities Premium Account	2,152.92	1,978.08
Opening balance	900.00	234.00
Add : Capital infusion during the year		
Less: Expenses on issue of privately placed non convertible debentures [net of tax of Rs.15.28 million (Previous year Rs. Nil)]	28.87	-
Less: Expenses on issue of publicly placed non convertible debentures [net of tax Rs.30.90 million (Previous year Rs. Nil)]	58.41	-
Less : Provision for premium payable on redemption of non convertible debentures [net of tax of Rs. 9.41 million (Previous year Rs. 31.31 million)]	17.77	59.16
	2,947.87	2,152.92
Debenture Redemption Reserve	8.99	-
Add : Transfer from Profit and Loss Account	8.99	-
Closing Balance		
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934, of India *	128.96	65.07
Opening balance	63.37	63.89
Add : Additions during the year	192.33	128.96
Surplus in statement of profit and loss	515.37	259.80
Opening Balance	316.86	319.46
Add: Net profit for the year	832.23	579.26
Amount available for appropriation		
Appropriations:	63.37	63.89
Less: Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	8.99	-
Less: Transfer to Debenture Redemption Reserve	759.87	515.37
	3,917.24	2,805.43

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



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures [Refer note 3.3A]		
a. Privately Placed Non-convertible debentures	3,000.00	2,000.00
b. Public issue of Non-convertible debentures	4,916.22	-
[Secured by pari passu charge on immovable property and loans and advance]		
Term loans from bank [Refer note 3.55(a)]	9,107.20	4,328.58
Term loans from others [Refer note 3.55(b)]	1,925.00	-
[Secured by pari passu charge on receivables of the company]		
	18,948.42	6,328.58
<u>Unsecured</u>		
Non-convertible redeemable subordinated debt (Refer note 3.3B)	1,500.00	260.00
Non-convertible non redeemable perpetual debt (Refer note 3.3C)	450.00	-
	20,898.42	6,588.58

3.3A Repayment terms of Secured Non-convertible Debentures are as follow.

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

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2018	As at 31 March 2017
ERFL/Public NCD/Series VI *	9.25%	22-Mar-2018	22-Mar-2028	483547	483.55	-
ERFL/Public NCD/Series V *	8.88%	22-Mar-2018	22-Mar-2028	409205	409.21	-
ERFL/Public NCD/Series IV *	9.00%	22-Mar-2018	22-Mar-2023	640817	640.82	-
ERFL/Public NCD/Series III *	8.65%	22-Mar-2018	22-Mar-2023	234347	234.35	-
ERFL/Public NCD/Series II *	8.75%	22-Mar-2018	22-Mar-2021	2984334	2,984.33	-
ERFL/Public NCD/Series I *	8.42%	22-Mar-2018	22-Mar-2021	163967	163.96	-
ERFL/NCD/07Nov22	8.50%	07-Nov-2017	07-Nov-2022	1000	1,000.00	-
ERFL/NCD/19Aug20	9.00%	19-Aug-2015	19-Aug-2020	2000	2,000.00	2,000.00
ERFL/NCD/30Mar18	0.00%	31-Mar-2015	30-Mar-2018	250	-	250.00
ERFL/NCD/18Aug17	9.00%	19-Aug-2015	18-Aug-2017	750	-	750.00
Total					7,916.22	3,000.00
Of which Current maturities have been classified under other Current Liabilities (Refer Note No. 3.9)					-	1,000.00
Long Term borrowings (NCDs)					7,916.22	2,000.00

Note: * During the current year, the Company has raised Rs 4,916.22 million through public issue of 4,916,217 Secured Redeemable Non-Convertible Debentures. As at March 31 2018, the Company has utilised the whole of the aforementioned proceeds towards the objects of the issue as stated in the Prospectus. These debentures issued by the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

3.3B Repayment terms of Unsecured non-convertible redeemable subordinate debentures are as follow.

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2018	As at 31 March 2017
INE528S08019	11.25%	25-May-2015	26-May-2025	140	140.00	140.00
INE528S08027	9.95%	10-Oct-2016	09-Oct-2026	120	120.00	120.00
INE528S08035	9.25%	31-Jul-2017	31-Jul-2027	240	240.00	-
INE528S08043	9.25%	06-Oct-2017	06-Oct-2027	1000	1,000.00	-
Total					1,500.00	260.00
Of which Current maturities have been classified under other Current Liabilities (Refer Note No. 3.9)					-	-
Long Term borrowings (NCDs)					1,500.00	260.00

3.3C Repayment terms of Unsecured non-convertible redeemable perpetual debentures are as follow.

ISIN number	Rate	Issue Date	Redemption Date	No. of NCDs	As at 31 March 2018	As at 31 March 2017
INE528S08050	9.75%	26-Dec-2017	Perpetual	200	200.00	-
INE528S08068	10.00%	07-Feb-2018	Perpetual	250	250.00	-
Total					450.00	-



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.4 Deferred tax Assets / Liabilities		
<u>Deferred tax liabilities</u>		
Amortised loan origination costs	204.24	63.22
Difference between book and tax depreciation	(1.07)	0.33
Total (A)	203.17	63.55
<u>Deferred tax assets</u>		
Provision for standard assets	44.96	17.80
Amortised processing fees	165.94	41.79
Provision for Gratuity	1.94	1.26
Provision for Non performing assets	16.83	15.47
Others	10.54	9.15
Total (B)	180.21	85.47
Deferred Tax (Asset)/Liability (A - B)	22.96	(21.92)
3.5 Other long-term liabilities		
Unamortised processing fees	120.63	52.84
Interest accrued but not due on borrowings	87.35	156.04
Unrealised gain on loan transfer transactions	3.96	41.99
	211.94	250.87
3.6 Long-term provisions		
Provision for employee benefits		
Gratuity (Refer note no. 3.27D)	4.79	3.13
Compensated leave absences	1.43	0.75
Deferred bonus	10.64	9.50
Other Provisions:		
Provision for non performing assets	11.71	2.82
Provision for standard assets	76.03	39.06
Provision for restructured loan	4.54	4.66
Provision for credit loss on securitisation	9.56	35.74
	118.70	95.66



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.7 Short-term borrowings		
<u>Secured</u>		
Bank overdraft	1,592.65	1,018.53
[Secured by pari passu charge on receivables of the company]		
<u>Unsecured</u>		
Loans from a related party (repayable on demand) (Refer note no. 3.25(ii))	1,274.98	732.47
[repayable on demand at rate of 9% p.a.]		
	2,867.63	1,751.00
3.8 Trade payables		
Trade payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
i) Acceptances	-	-
ii) Others	-	-
a. Related Parties (Refer note no. 3.25(ii))	121.22	51.81
b. Others (includes sundry creditors and provision for expenses)	418.09	338.99
	539.31	390.80
3.9 Other current liabilities		
Current maturities of long term secured debt		
Term loan from bank [Refer note 3.55(a)]	2,488.72	1,520.83
Term loan from others [Refer note 3.55(b)]	542.00	-
Non-convertible debentures - (Refer note 3.3A, 3.3B and 3.3C)	-	1,000.00
Interest accrued but not due on borrowings	279.52	148.47
Income received in advance	1.84	0.46
Unamortised processing fees	182.54	67.91
Other Payables		
Accrued salaries and benefits	33.70	42.75
Withholding taxes, service tax, GST and other taxes payable	96.04	25.47
Bank overdraft	1,212.11	280.11
Provision for capital expenditure	3.59	0.50
Others	8.48	2.94
Unrealised gain on loan transfer transactions	30.47	158.83
	4,879.01	3,248.27
3.10 Short-term provisions		
Provision for employee benefits		
Gratuity (Refer note 3.27B)	0.77	0.50
Compensated absences	0.24	0.24
Deferred bonus	17.85	15.95
Other Provisions :		
Provision for non performing assets	22.34	1.48
Provision for standard assets	52.65	12.36
Provision for taxation (Net of advance tax Rs.392.71 million; Previous year:Rs.311.93 million)	31.02	26.21
	124.87	56.74



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

3.11 Fixed assets

Description of Assets	Gross Block			Depreciation		Net Block
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	Charge for the year	As at 31 March 2018
Property, plant & equipment						
Land *	0.37	-	-	0.37	-	0.37
Leasehold improvements	-	18.82	-	18.82	1.60	17.22
Furniture and Fixtures	-	5.88	-	5.88	0.65	5.23
Vehicles	6.97	1.35	1.28	7.04	1.90	4.02
Office equipment	0.57	10.25	0.08	10.74	1.95	8.51
Computers	4.41	18.65	0.24	22.82	7.34	14.76
Total : A	12.32	54.95	1.60	65.67	13.44	50.11
Intangible assets						
Computer software	4.10	0.92	-	5.02	1.57	2.66
Total : B	4.10	0.92	-	5.02	1.57	2.66
Grand Total (A+B)	16.42	55.87	1.60	70.69	15.01	52.77

1) There is no revaluation of assets during the year.

2) There are no adjustments on account of borrowing costs.

3) * Charge against Secured Redeemable Non-convertible Debentures (Refer note 3.3A)



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

3.11 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block As at 31 March 2017
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	Charge for the year	Deductions during the year	As at 31 March 2017
Property, plant & equipment							
Land	0.37	-	-	0.37	-	-	0.37
Vehicles	1.28	6.24	0.55	6.97	1.57	0.06	5.10
Office equipment	0.50	0.07	-	0.57	0.16	-	0.23
Computers	0.11	4.30	-	4.41	0.81	-	3.59
Total : A	2.26	10.61	0.55	12.32	2.54	0.06	9.29
Intangible assets							
Computer software	0.10	3.99	-	4.09	0.78	-	3.31
Total : B	0.10	3.99	-	4.09	0.78	-	3.31
Grand Total [A+B]	2.36	14.60	0.55	16.41	3.32	0.06	12.60

1) There is no revaluation of assets during the year.

2) There are no adjustments on account of borrowing costs.

3) * Charge against Secured Redeemable Non-convertible Debentures (Refer note 3.3A)



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.12 Long-term loans and advances (considered good, unless stated otherwise)		
Secured		
Receivable from financing business	13,043.06	5,137.10
- Standard Assets	217.81	28.23
- Sub-standard Assets	18.53	-
- Doubtful Assets	13,279.40	5,165.33
Unsecured		
Receivables from financing business	5,891.23	2,434.03
- Standard Assets	31.38	24.74
- Sub-standard Assets	5,922.61	2,458.77
Other loans and advances (Unsecured considered good)	57.10	3.67
Rental deposits	225.88	78.59
Unamortised loan origination costs		
Advance income taxes (net of provision for Tax Rs 0.39 million; Previous year Rs. 0.58 million)	2.40	0.05
MAT credit entitlement	56.40	-
	6,264.39	2,541.08
	19,543.79	7,706.41
3.13 Other non-current assets (Unsecured considered good)		
Deferred Consideration on loan transfer transactions	3.96	42.00
	3.96	42.00



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

as on 31 March 2018

(Currency : Indian Rupees in Millions)

	As at 31 March 2018	As at 31 March 2017
3.14 Trade receivables		
Debtors outstanding for a period exceeding six months	-	-
Other debts		
Unsecured, considered good	12.14	-
	12.14	-
3.15 Cash and bank balances		
Cash and Cash equivalents		
Balances with Banks		
- in Current accounts	213.73	7.88
Other Banks Balances		
- Short term deposits with banks (Refer note 3.28)	20.00	64.33
(Other bank deposits with maturity more than 3 months and less than 12 months)		
	233.73	72.21
3.16 Short-term loans and advances		
(considered good, unless stated otherwise)		
Secured		
Receivable from financing business		
- Standard Assets	3,958.24	4,005.08
- Sub-standard Assets	25.44	1.32
- Doubtful Assets	6.27	-
	3,989.95	4,006.40
Unsecured		
Receivables from financing business		
- Standard Assets	9,208.56	3,098.38
- Sub-standard Assets	46.59	7.68
	9,255.15	3,106.06
Other loans and advances		
(Unsecured considered good)		
Deposits- others	0.13	0.13
Prepaid expenses	0.90	0.74
Unamortised loan origination costs	358.59	104.09
Loans and advances to employees	0.63	0.42
Input tax credit	135.94	29.01
Advances recoverable in cash or in kind or for value to be received	28.24	49.52
	9,779.58	3,289.97
	13,769.53	7,296.37
3.17 Other current assets		
(Unsecured, considered good)		
Accrued interest on Inter-corporate deposits	0.03	0.02
Accrued interest on loans	19.89	17.18
Accrued interest on loans not due	337.21	188.31
Deferred Consideration on loan transfer transactions	30.47	158.83
	387.60	364.34



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
3.18 Fee and commission income		
Loan processing fees and other fees	272.12	187.20
	<u>272.12</u>	<u>187.20</u>
3.19 Interest Income		
On loans	3,378.95	2,338.10
On fixed deposits	1.78	0.02
On others	0.04	0.04
	<u>3,380.77</u>	<u>2,338.16</u>
3.20 Other income		
Miscellaneous income	23.33	9.98
	<u>23.33</u>	<u>9.98</u>



Edelweiss Retail Finance Limited

Notes to financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian Rupees in Millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
3.21 Employee benefits expense		
Salaries, wages and bonus (Refer note 3.30)	315.64	198.29
Contribution to provident and other funds (Refer note 3.27A)	15.90	7.68
Staff welfare expenses	8.07	9.74
	339.61	215.71
3.22 Finance costs		
Interest on debentures [Refer note 3.25(ii)]	304.47	434.60
Interest on Subordinated Debt	87.83	23.18
Interest on term loan	819.70	557.09
Interest on bank overdraft	49.36	19.67
Interest on loan from related party [Refer note 3.25(ii)]	301.98	112.07
Discount on Non Convertible Debentures	3.84	9.72
Discount on commercial paper	7.49	-
Interest on shortfall in payment of Advance Income Tax	0.28	1.19
Bank charges	25.84	3.67
	1,600.79	1,161.19
3.23 Other expenses		
Advertisement and business promotion	7.70	3.07
Auditors' remuneration (Refer Note 3.23A)	1.72	1.62
Bad- debts and advances written off	287.20	225.54
Commission and brokerage	2.59	0.94
Communication	8.35	1.35
Computer software	1.03	0.05
Corporate Social Responsibility Expense	2.50	0.50
Directors' sitting fees	0.44	0.40
Electricity charges (Refer note 3.30)	4.45	1.41
Legal and professional fees	251.35	114.20
Loan origination costs amortised	422.78	231.10
Office expenses	6.58	1.60
Printing and stationery	4.87	1.63
Provision for standard assets	77.25	9.65
Provision for restructured advances	(0.12)	2.91
Provision for non performing assets	29.76	(23.79)
Provision for credit loss on securitisation	(26.19)	30.14
Rates and taxes	0.85	0.27
Rating Support Fees	0.22	12.50
Rent (Refer note 3.30)	40.05	10.25
Repairs and maintenance - others	2.11	0.61
ROC expenses	0.00	(0.07)
Service tax expenses	69.10	21.31
Stamp duty	14.79	7.73
Travelling and conveyance	20.85	9.39
Miscellaneous expenses	10.68	1.51
	1,240.91	665.82
3.23A Auditors' remuneration:		
As Statutory Auditors	1.66	1.51
Towards reimbursement of expenses	0.06	0.11
	1.72	1.62



(Currency: Indian rupees in Million)

3.24 Segment reporting

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

3.25 Disclosure as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" notified under Section 133 of the Companies Act, 2013

(i) List of related parties and relationship:

Name of related parties by whom control is exercised	Edelcap Securities Limited - Holding Company Edelweiss Financial Services Limited – Ultimate holding Company
Fellow Subsidiaries (with whom transactions have taken place)	Auris Corporate Centre Limited (merged with Ecap Equities Limited w.e.f 1 st April 2017) ECL Finance Limited EdelGive Foundation Edelweiss Commodities Services Limited Edelweiss Housing Finance Limited Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) EFSL Trading Limited (Formerly known as EFSL Commodities Limited) Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited) Eternity Business Centre Limited (merged with Ecap Equities Limited w.e.f 1 st April 2017) Edelweiss Finance & Investments Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Global Wealth Management Limited Olive Business Centre Limited (merged with Ecap Equities Limited w.e.f 1 st April 2017) Ecap Equities Limited Edelweiss General Insurance Company Limited
Key Management Personnel	Mr. Arun Kumar Nayyar

(ii) Transactions with related parties :

Nature of Transaction	Related Party Name	As at 31 March 2018	As at 31 March 2017
Capital Account Transaction during the year:			
Equity shares issued to	Edelweiss Financial Services Limited	50.00	-
	Edelcap Securities Limited	50.00	-
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	70.00
Securities premium received from	Edelweiss Financial Services Limited	450.00	-
	Edelcap Securities Limited	450.00	-
	Edelweiss Finvest Private Limited (Formerly known as Arum Investments Private Limited)	-	234.00
Non convertible debentures issued to	Ecap Equities Limited	440.00	-
Assignment of loan portfolio from	Edelweiss Housing Finance Limited	-	1,005.91
Current account transactions:			
Loans taken from (refer note 3.25A(2))	Edelweiss Financial Services Limited	-	333.02
	Edelweiss Commodities Services Limited	5,171.46	3,472.40
Loans repaid to (refer note 3.25A(2))	Edelweiss Financial Services Limited	-	429.13
	Edelweiss Commodities Services Limited	4,628.94	2,739.93
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	-	290.00
Interest Expenses on loan from	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	-	7.03
	Edelweiss Financial Services Limited	-	1.93
	Edelweiss Commodities Services Limited	361.98	103.11
Interest Expenses on Non convertible debentures	Edelweiss Commodities Services Limited	31.23	-
	ECL Finance Limited	1.74	-
Legal & Professional Fees	Edelweiss Housing Finance Limited	135.46	48.67
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	42.43	0.24
Service Fee Expenses	Edelweiss Housing Finance Limited	0.05	-



(Currency: Indian rupees in Million)

(ii) Transactions with related parties (Continued)

Nature of Transaction	Related Party Name	As at 31 March 2018	As at 31 March 2017
Reimbursement paid to	Edelweiss Financial Services Limited	-	65.76
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	6.11	71.84
	Edelweiss Commodities Services Limited	3.88	9.02
Reimbursement received from	ECL Finance Limited	0.89	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	1.11	1.92
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	-	0.06
	Edelweiss Commodities Services Limited	3.69	2.16
	Eternity Business Centre Limited	-	6.24
	Ecap Equities Limited	10.85	-
	ECL Finance Limited	0.16	-
	Edelweiss Broking Limited	1.69	-
	Edelweiss Global Wealth Management Limited	0.68	-
	Edelweiss Securities Limited	0.67	-
	Edelweiss Housing Finance Limited	4.69	-
Sale of Fixed Assets	ECL Finance Limited	0.02	-
	Edelweiss Broking Limited	0.06	-
	Edelweiss Global Wealth Management Limited	0.03	-
Cost reimbursement Received from	ECL Finance Limited	3.42	-
	Edelweiss Broking Limited	0.01	-
	Edelweiss Financial Services Limited	0.04	-
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	0.17	-
	Edelweiss Housing Finance Limited	0.43	-
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0.01	-
Premium Expenses	Edelweiss General Insurance Company Limited	1.84	-
Commission & Brokerage Expenses	Edelweiss Investment Adviser Limited	-	0.95
	Edelweiss Broking Limited	37.68	-
Donation	EdelGive Foundation	2.50	0.50
Rating fee paid	Edelweiss Financial Services Limited	0.22	12.50
Remuneration paid to (refer note 3.25A(3))	Mr. Arun Kumar Nayyar	19.50	14.32
Director nomination deposit received from	Edelcap Securities Limited	-	0.30
Prepaid Expense	Edelweiss Financial Services Limited	-	0.71
Balances with related parties:			
Non convertible debentures (at face value) held by	Edelweiss Commodities Services Limited	479.00	-
	Edelweiss Finance & Investments Limited	3.00	-
	ECL Finance Limited	1,250.00	-
Short term borrowings from (refer note 3.25A(2))	Edelweiss Commodities Services Limited	1,274.98	732.47
Interest accrued and due on borrowings from	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	-	0.49



(Currency: Indian rupees in Million)

(ii) Transactions with related parties (Continued)

Nature of Transaction	Related Party Name	As at 31 March 2018	As at 31 March 2017
Interest Payable on debentures to	Edelweiss Commodities Services Limited	24.07	-
	Edelweiss Finance & Investments Limited	0.03	-
Trade Payables	Edelweiss Financial Services Limited	0.24	-
	Edelweiss Housing Finance Limited	91.93	51.46
	Edelweiss Securities Limited	0.06	-
	Edelweiss Commodities Services Limited	0.09	-
	Edelweiss Business Services Limited	-	-
	(Formerly known as Edelweiss Web Services Limited)	24.66	0.35
	Ecap Equities Limited	1.92	-
	ECL Finance Limited	1.47	-
	Edelweiss Broking Limited	0.83	-
	Edelweiss Global Wealth Management	0.02	-
Trade Receivables	ECL Finance Limited	5.42	-
	Edelweiss Broking Limited	0.08	-
	Edelweiss Business Services Limited	-	-
	(Formerly known as Edelweiss Web Services Limited)	0.18	-
	Edelweiss Securities Limited	0.02	-
	Edelweiss Housing Finance Limited	6.38	-
	EFSL Trading Limited (Formerly known as EFSL Commodities Limited)	0.01	-
Nomination deposits - Payables	Edelcap Securities Limited	0.60	0.60
Advances to others	Edelweiss Finance & Investments Limited	-	0.03
Nomination deposits - Receivables	Edelcap Securities Limited	0.10	0.10

Note : 3.25A

1. Previous year figures have been recasted / restated wherever necessary.
2. The Intra group Company loans are generally in the nature of revolving demand loans. Loan taken/repaid from/to related parties are disclosed based on the maximum incremental amount taken and repaid during the reporting period.
3. 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.
4. The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2018 and 31 March 2017.



(Currency: Indian rupees in Million)

3.26 Earnings per share

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Shareholders earnings (as per statement of profit and loss)	316.86	319.45
b) Calculation of weighted average number of Equity Shares of Re 10 each:		
- Number of equity shares outstanding at the beginning of the year	3,29,50,000	2,99,50,000
- Number of equity shares issued during the year	1,00,00,000	30,00,000
Total number of equity shares outstanding at the end of the year	4,29,50,000	3,29,50,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	3,63,88,356	3,17,60,685
Basic and diluted earnings per share (in Rupees) (a/b)	8.71	10.08

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares issued or outstanding as at 31 March 2018 and as at 31 March 2017.

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

A) Defined contribution plan (Provident fund):

Amount of Rs.13.05 million (previous year: Rs.5.73 million) is recognised as expenses and included in "Employee benefit expenses".

B) Defined benefit plan (Gratuity):

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

Statement of profit and loss

Net employee benefit expenses recognized in the statement of profit & loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	1.36	0.86
Interest on defined benefit obligation	0.24	0.16
Past service cost	0.22	-
Actuarial losses	0.24	0.72
Total included in "Employee Benefit Expenses"	2.06	1.74

Balance Sheet

Reconciliation of Defined Benefit Obligation (DBO) are as follows:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of DBO at start of year	3.63	2.11
Interest cost	0.24	0.16
Current service cost	1.36	0.86
Employee Transfer in adjustment	0.02	0.03
Past service cost	0.22	-
Benefit paid	(0.15)	(0.25)
Actuarial Loss:	0.24	0.72
Present value of DBO at end of year	5.56	3.63



(Currency: Indian rupees in Million.)

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

Changes in the fair value of plan assets are as follows:		
	For the year ended 31 March 2018	For the year ended 31 March 2017
Fair value of plan assets at the beginning of the year	NA	NA
Acquisition adjustment	NA	NA
Expected return on plan asset	NA	NA
Contributions	NA	NA
Benefits paid	NA	NA
Actuarial gain/(loss):	NA	NA
Fair value of plan assets at the end of the year	NA	NA

Net liability / (asset) recognised in the Balance Sheet		
	For the year ended 31 March 2018	For the year ended 31 March 2017
Present value of DBO	5.56	3.63
Fair value of plan assets	-	-
Amount recognized in balance sheet - (assets)/liability	5.56	3.63
Of which, short term provision	0.77	0.50

Experience adjustment :				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Defined Benefit Obligation	5.56	3.63	2.11	0.03
Fair value of plan assets	-	-	-	-
Surplus / (Deficit)	(5.56)	(3.63)	(2.11)	(0.03)
On plan liabilities: (gain)/ loss	0.36	0.57	0.17	NA*

* Being the first actuarial valuation

Principal actuarial assumptions at the balance sheet date:		
	As at 31 March 2018	As at 31 March 2017
Discount rate current	7.00%	6.60%
Salary escalation current	7.00%	7.00%
Employees attrition rate (based on categories)	13-60%	13-60%
Mortality Rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working life of employees	3 years	4 years

3.28 Encumbrances* on fixed deposits held by the Company

Fixed deposit of Rs. 20 million have been given as margin against bank guarantee issued by State Bank of India in favour of BSE Limited for public issuance of Non convertible debenture by the company.
(Previous Year : Fixed deposit of Rs. 64.33 million have been given as credit enhancement towards Securitization.)

3.29 Contingent liabilities and commitments

- Corporate guarantee given by the Company in relation to securitisation transaction is Rs. 328.98 million (Previous year : Rs. 322.58 million)
The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favorable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.
- Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for: is Rs. 22.84 million (Previous Year Rs.1.02 million).
- Undrawn committed credit lines Rs. 863.13 million as at March 31, 2018 (Previous year: Rs. 59.73 million).

3.30 Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost (FY 2017-18), 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 3.21 and 3.23 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018
(Currency: Indian rupees in Million)

3.31 Details of dues to micro enterprise and small enterprise

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

3.32 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.

3.33 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2018 (Previous year: Rs Nil).

3.34 Investments

Particulars	As at 31 March 2018	As at 31 March 2017
1) Value of Investments		
i) Gross Value of Investments		
a) In India	-	-
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	-	-
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	-	-
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

3.35 Capital to risk assets ratio (CRAR)

Particulars	As at 31 March 2018	As at 31 March 2017
i) CRAR (%)	16.36%	18.67%
ii) CRAR - Tier I capital (%)	11.89%	17.90%
iii) CRAR - Tier II Capital (%)	4.47%	0.77%
iv) Amount of subordinated debt raised as Tier-II capital	1,500.00	260.00
v) Amount raised by issue of perpetual debt instruments	450.00	-



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018
(Currency: Indian rupees in Million)

3.36 Direct assignment & Securitisation

The Company sells loans through securitisation and direct assignment.

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

Particulars	As at 31 March 2018	As at 31 March 2017
Total number of loan assets under par structure	72	195
Total book value of loan assets	479.42	761.02
Sales consideration received	479.42	761.02

The information on direct assignment of the Company as an originator in respect of transaction done on premium during the year is

Particulars	As at 31 March 2018	As at 31 March 2017
Total number of loan assets under par structure	1712	1752
Total book value of loan assets	29.93	52.16
Sales consideration received	30.66	52.70

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

Particulars	As at 31 March 2018	As at 31 March 2017
1 No. of SPVs sponsored by the NBFC for securitisation transactions	3	4
2 Total amount of securitised assets as per books of the SPVs sponsored by the	592.29	2372.15
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	59.23	237.22
a) Off-balance sheet exposures		
- First loss	59.23	163.35
- Others	-	-
b) On-balance sheet exposures		
- First loss	-	73.87
- Others	-	-
4 Amount of exposures to assignment transactions other than MRR	260.56	194.16
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	260.56	159.23
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
- First loss	-	34.93
- Others	-	-
ii) Exposure to third party securitisations		
- First loss	-	-
- Others	-	-



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018
(Currency: Indian rupees in Million)

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

Particulars	As at 31 March 2018	As at 31 March 2017
i) No. of accounts	Nil	Nil
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
iii) Aggregate consideration	Nil	Nil
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v) Aggregate gain / loss over net book value	Nil	Nil

Disclosures in the notes to the accounts in respect of assignment transactions

Particulars	As at 31 March 2018	As at 31 March 2017
1 No. of transactions assigned by the NBFC	5	3
2 Total amount outstanding	920.60	680.87
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	102.14	75.20
a) Off-balance sheet exposures	-	-
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures	-	-
- First loss	102.14	75.20
- Others	-	-
4 Amount of exposures to assignment transactions other than MRR	-	-
a) Off-balance sheet exposures	-	-
i) Exposure to own assignments	-	-
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments	-	-
- First loss	-	-
- Others	-	-
b) On-balance sheet exposures	-	-
i) Exposure to own assignments	-	-
- First loss	-	-
- Others	-	-
ii) Exposure to third party assignments	-	-
- First loss	-	-
- Others	-	-

Details of Assignment transactions undertaken

Particulars	As at 31 March 2018	As at 31 March 2017
i) No. of accounts	1,784	1,947
ii) Aggregate value (net of provisions) of accounts sold	509.35	813.17
iii) Aggregate consideration	510.08	813.72
iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v) Aggregate gain / loss over net book value	0.73	0.55



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.37 Details of non-performing financial assets purchased / sold

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

A. Details of non-performing financial assets purchased :

	Particulars	As at 31 March 2018	As at 31 March 2017
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:

	Particulars	As at 31 March 2018	As at 31 March 2017
1	(a) No. of accounts sold	Nil	Nil
2	(b) Aggregate outstanding	Nil	Nil
3	(c) Aggregate consideration received	Nil	Nil

3.38 Un-hedged foreign currency risk

There are no un-hedged foreign currency risk as at March 31, 2018 (Previous year Rs. Nil)

3.39 Operating leases

The Company has taken premises on operating lease. Terms of the lease include terms for renewal, increase in rents in future periods and term of cancellation. Gross rental expenses for the year ended 31 March 2018 aggregated to Rs.40.05 million (Previous year Rs. 10.25 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.

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

Minimum lease payments for non cancellable lease	For the year ended 31 March 2018	For the year ended 31 March 2017
- not later than one year	22.24	1.18
- later than one year and not later than five years	19.69	-
- later than five year	-	-

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

3.40 Fraud Reporting

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

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

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Direct exposure		
(i) Residential mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	6,283.25	4,336.32
(ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc).	9,835.53	4,839.75
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised		
a) Residential	-	-
b) Commercial real estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

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

b) Exposure to capital market

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-

3.42 Asset liability management

Maturity pattern of certain items of assets and liabilities

For the financial year 2017-18

Particulars	Upto 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
Deposits	-	-	-	-	-	-	-	-	-
Advances	1,107.29	1,134.05	1,127.19	3,429.43	6,447.23	9,147.44	2,617.94	7,436.63	32,447.11
Investments	-	-	-	-	-	-	-	-	-
Borrowings	141.33	255.00	493.15	1,832.05	3,176.82	12,596.24	5,459.43	2,842.75	26,796.77
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-

For the financial year 2016-17

Particulars	Upto 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
Deposits	-	-	-	-	-	-	-	-	-
Advances	696.85	940.71	1,689.55	1,281.17	2,504.18	2,990.30	1,252.53	3,381.27	14,736.56
Investments	-	-	-	-	-	-	-	-	-
Borrowings	426.13	569.94	1,135.14	1,130.21	1,010.41	3,041.67	3,286.91	260.00	10,860.41
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.43 Movements in non performing advances:

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

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
i)	Net NPAs to net advances (%)	0.95%	0.36%
ii)	Movement of NPAs (Gross)		
	a) Opening balance	61.97	39.76
	b) Additions during the year	632.45	191.37
	c) Reductions during the year	(348.40)	(169.16)
	d) Closing balance	346.02	61.97
iii)	Movement of net NPA		
	a) Opening balance	53.01	9.91
	b) Additions during the year	557.20	45.11
	c) Reductions during the year	(302.78)	(2.01)
	d) Closing balance	307.43	53.01
iv)	Movement of provisions for NPAs (including provisions on restructured assets)		
	a) Opening balance	8.96	29.85
	b) Additions during the year	75.25	146.26
	c) Reductions during the year	(45.62)	(167.15)
	d) Closing balance	38.59	8.96

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

During the year ended 31 March 2018 and 31 March 2017, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

3.45 Unsecured Advances

The company has not taken any charge over the rights, licenses, authorisation, etc., against unsecured loans given to borrowers.

3.46 Remuneration of Directors

The company has not entered into any transaction with non-executive directors during the year (Previous year Rs. Nil) except disclosure made in note 3.63

3.47 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items (Previous year Rs. Nil) and there are no changes in accounting policies during the year.

3.48 Accounting Standard 21 -Consolidated Financial Statements (CFS)

The company does not have any subsidiary, associate, or joint venture and hence consolidation is not required.

3.49 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 31 March 2018	For the year ended 31 March 2017
i)	Provisions for depreciation on investment	-	-
ii)	Provision towards NPA (include Restructured assets)	29.64	(20.88)
iii)	Provision made towards income tax *	163.04	169.84
iv)	Provision for standard assets	77.25	9.65
v)	Other provision and contingencies		
	a) Provision for credit loss on securitisation	(26.19)	30.14

Note: * Includes current tax, MAT credit entitlement and deferred tax



Edelweiss Retail Finance Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.50 Draw Down from Reserves

No Draw Down from the Statutory Reserves during FY 2017-18 (Previous Year Rs. Nil)

3.51 Concentration of deposits, advances, exposures and NPAs

		For the year ended 31 March 2018	For the year ended 31 March 2017
A) Concentration of advances			
Total advances to twenty largest borrowers		2,706.67	1,307.27
% of advances to twenty largest borrowers to total advances		8.34%	8.87%
B) Concentration of exposures (includes Off balance sheet exposure)			
Total exposures to twenty largest borrowers / customers		2,774.67	1,307.27
% of exposures to twenty largest borrowers / customers to total advances		8.25%	8.65%
C) Concentration of NPAs			
Total exposures to top four NPAs		83.33	36.59
D) Sector-wise NPAs			
		% of NPAs to total advances in that sector	
		For the year ended 31 March 2018	For the year ended 31 March 2017
1	Agriculture & allied activities	0.00%	0.00%
2	MSME	0.00%	0.00%
3	Corporate borrowers	0.40%	0.43%
4	Services	0.66%	0.41%
5	Unsecured personal loans	0.00%	0.00%
6	Auto loans	0.00%	0.00%
7	Other personal loans	0.00%	0.00%

3.52 Customer complaints

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	No. of complaints pending at the beginning of the year	70	52
(b)	No. of complaints received during the year	57	52
(c)	No. of complaints redressed during the year	13	-
(d)	No. of complaints pending at the end of the year	-	-

3.53 Details of ratings assigned by credit rating agencies

As at 31 March 2018

Instrument category		CRISIL	SMERA	ICRA	CARE	Brickworks	Brickworks
i)	Long term instruments						
	Rating	CRISIL AA/Stable	SMERA AA/Stable	[ICRA] AA	CARE AA	BWR AA	BWR AA+
	Amount	18,000.00	1,000.00	44,500.00	12,500.00	1,000.00	4,500.00
ii)	Short term instruments						
	Rating	CRISIL A+	NA	[ICRA] A1+	CARE A1+	NA	NA
	Amount	5,000.00	NA	6,000.00	5,000.00	NA	NA

As at 31 March 2017

Instrument category		CRISIL	ICRA	CARE	Brickworks
i)	Long term instruments				
	Rating	CRISIL AA/Stable	[ICRA] AA	CARE AA	BWR AA+
	Amount	10,000.00	31,500.00	5,500.00	4,500.00
ii)	Short term instruments				
	Rating	NA	[ICRA] A1+	CARE A1+	NA
	Amount	NA	6,000.00	5,000.00	NA

Note: 1. Only utilized credit rating details are provided

2. There were no changes in any of the ratings or outlook during the year



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

[illegible]

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



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.55 a) Details of term loan taken from Banks

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
December-2022	257.33	-	-	257.33
September-2022	350.08	-	-	350.08
July-2022	31.25	-	-	31.25
June-2022	350.08	-	-	350.08
May-2022	18.75	-	-	18.75
April-2022	31.25	-	-	31.25
March-2022	381.33	-	-	381.33
February-2022	18.75	-	-	18.75
January-2022	31.25	-	-	31.25
December-2021	381.33	-	-	381.33
November-2021	18.75	-	-	18.75
October-2021	31.25	-	-	31.25
September-2021	381.33	-	-	381.33
August-2021	18.75	-	-	18.75
July-2021	31.25	-	-	31.25
June-2021	381.33	-	-	381.33
May-2021	18.75	-	-	18.75
April-2021	31.25	-	-	31.25
March-2021	427.00	105.50	-	532.50
February-2021	18.75	-	-	18.75
January-2021	31.25	-	-	31.25
December-2020	515.25	109.40	-	624.65
November-2020	18.75	-	-	18.75
October-2020	31.25	-	-	31.25
September-2020	660.49	109.40	-	769.89
August-2020	18.75	-	-	18.75
July-2020	31.25	-	-	31.25
June-2020	660.49	109.40	-	769.89
May-2020	18.75	-	-	18.75
April-2020	64.58	-	-	64.58
March-2020	660.49	109.40	-	769.89
February-2020	18.75	-	-	18.75
January-2020	64.58	-	-	64.58
December-2019	660.49	109.40	-	769.89
November-2019	18.75	-	-	18.75
October-2019	64.58	-	-	64.58
September-2019	660.49	109.40	-	769.89
August-2019	18.75	-	-	18.75
July-2019	64.58	-	-	64.58



(Currency: Indian rupees in Million)

3.55 a) Details of term loan taken from Banks (continued)

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
June-2019	660.49	109.40	-	769.89
May-2019	18.75	-	-	18.75
April-2019	64.58	-	-	64.58
March-2019	660.50	109.40	-	769.90
February-2019	18.75	-	-	18.75
January-2019	64.59	-	-	64.59
December-2018	401.04	109.40	-	510.44
November-2018	18.75	-	-	18.75
October-2018	64.58	25.00	-	89.58
September-2018	331.25	109.40	-	440.65
August-2018	18.75	-	-	18.75
July-2018	33.33	25.00	-	58.33
June-2018	331.25	109.40	-	440.65
April-2018	33.33	25.00	-	58.33
Total	10,212.02	1,383.90	-	11,595.92

Current Maturity	2,488.72
Long Term Borrowings	9,107.20
Total	11,595.92

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.

As at March 31 2017

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
March-2022	-	31.25	-	31.25
December-2021	-	31.25	-	31.25
September-2021	-	31.25	-	31.25
June-2021	-	31.25	-	31.25
March-2021	46.82	140.63	5.98	193.43
December-2020	105.93	187.50	6.25	299.68
September-2020	140.63	187.50	6.25	334.38
June-2020	140.63	187.50	6.25	334.38
March-2020	140.63	187.50	37.50	365.63
December-2019	140.63	187.50	37.50	365.63
September-2019	140.63	187.50	37.50	365.63
June-2019	140.63	187.50	37.50	365.63
March-2019	140.63	187.50	37.50	365.63
December-2018	140.63	187.50	37.50	365.63
October-2018	-	25.00	-	25.00
September-2018	140.63	208.34	37.50	386.47
July-2018	-	25.00	-	25.00
June-2018	140.63	208.33	37.50	386.46
April-2018	-	25.00	-	25.00
March-2018	140.62	177.08	37.50	355.20



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.55 a) Details of term loan taken from Banks (continued)

As at March 31 2017

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
January-2018	-	25.00	-	25.00
December-2017	140.63	177.08	37.50	355.21
October-2017	-	25.00	-	25.00
September-2017	140.63	177.08	37.50	355.21
July-2017	-	25.00	-	25.00
June-2017	140.63	177.08	37.50	355.21
April-2017	-	25.00	-	25.00
Total	2,121.56	3,253.12	474.73	5,849.41

Current Maturity	1,520.83
Long Term Borrowings	4,328.58
Total	5,849.41

3.55 b) Details of term loan taken from SIDBI

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
March-2023	52.50	-	-	52.50
December-2022	52.50	-	-	52.50
September-2022	52.50	-	-	52.50
June-2022	52.50	-	-	52.50
April-2022	89.00	-	-	89.00
March-2022	52.50	-	-	52.50
January-2022	83.00	-	-	83.00
December-2021	52.50	-	-	52.50
October-2021	83.00	-	-	83.00
September-2021	52.50	-	-	52.50
July-2021	83.00	-	-	83.00
June-2021	52.50	-	-	52.50
April-2021	83.00	-	-	83.00
March-2021	52.50	-	-	52.50
January-2021	83.00	-	-	83.00
December-2020	52.50	-	-	52.50
October-2020	83.00	-	-	83.00
September-2020	52.50	-	-	52.50
July-2020	83.00	-	-	83.00
June-2020	52.50	-	-	52.50
April-2020	83.00	-	-	83.00
March-2020	52.50	-	-	52.50
January-2020	83.00	-	-	83.00
December-2019	52.50	-	-	52.50
October-2019	83.00	-	-	83.00
September-2019	52.50	-	-	52.50
July-2019	83.00	-	-	83.00
June-2019	52.50	-	-	52.50
April-2019	83.00	-	-	83.00



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.55 b) Details of term loan taken from SIDBI (continued)

As at March 31 2018

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
March-2019	52.50	-	-	52.50
January-2019	83.00	-	-	83.00
December-2018	52.50	-	-	52.50
October-2018	83.00	-	-	83.00
September-2018	52.50	-	-	52.50
July-2018	83.00	-	-	83.00
June-2018	52.50	-	-	52.50
April-2018	83.00	-	-	83.00
Total	2,467.00	-	-	2,467.00

Current Maturity	542.00
Long Term Borrowings	1,925.00
Total	2,467.00

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.

As at March 31 2017

Month of Maturity / Repayment	Rate of Interest			Total
	8.00 - 8.99%	9.00% to 9.99%	10.00% to 10.99%	
-	Nil	Nil	Nil	Nil



(Currency: Indian rupees in Million)

3.56 Corporate social responsibility (CSR)

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

a) Gross Amount required to be spent by the Company during the year was Rs. 7.19 million; (Previous year Rs. 3.80 million)

b) Amount spent during the year on :

Particulars	In cash	Yet to be paid in cash	Total
i Construction/ acquisition of any assets	-	-	-
ii on purpose other than (i) above	2.50	-	2.50
	(2.50)	-	(2.50)

1. The Company is a subsidiary of Edelcap Securities Limited and ultimate holding Company is Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2006. As an amount of Rs 177.84 million (Previous year: Rs.115.68 million) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.

2. Figures in bracket are in respect of previous year.

3.57 Registration obtained from other financial sector regulators

The company is not registered under any other regulator other than Reserve Bank of India

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

3.59 Disclosure of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other Regulators during the financial year 2017-18 (Previous year - Nil)

3.60 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no overseas asset owned by the company (Previous year - Nil)

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

Related Party transactions

Particulars	As at 31 March 2018	As at 31 March 2017
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	-	-
Investments by the lessee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

3.62 Note to the balance sheet of a non-deposit taking non-banking financial Company

Note to the balance sheet of a non-deposit taking non-banking financial Company as required in terms of paragraph 13 of Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018)

Liabilities side:					
Particulars	Amount outstanding		Amount overdue		
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2019	As at 31 March 2017	
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid					
a) Debentures:					
(other than those falling within the meaning of Public deposit)					
(i) Secured	8,143.72	3,267.15			
(ii) Unsecured	2,675.02	296.86			
b) Deferred credits					
c) Term loans	14,077.28	5,849.41			
d) Inter-corporate loans and borrowing					
e) Commercial paper					
f) Other loans					
1) Loan from related parties	1,274.98	732.97			
2) Bank overdraft	1,592.65	1,018.53			
Assets side:					
	Amount Outstanding				
	As at 31 March 2018	As at 31 March 2017			
2) Break up of loans and advances including bills receivables (other than those included in (3) below)					
a) Secured			17,269.35		9,142.18
b) Unsecured			15,177.76		5,594.38
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					



(Currency: Indian rupees in Million)

3.62 Note to the balance sheet of a non-deposit taking non-banking financial Company as required in terms of paragraph 13 of Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Figures are as at 31 March 2018) (continued)

	As at 31 March 2018		As at 31 March 2017			
4) Break up of investments						
Current investments:						
a) Quoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
b) Unquoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others (pass through certificates)						
Details of term loan taken from SIDBI						
Long-term investments (net of provision)						
a) Quoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
b) Unquoted:						
(i) Shares: Equity						
Preference						
(ii) Debentures and bonds						
(iii) Units of mutual funds						
(iv) Government securities						
(v) Others						
- Pass through certificates						
- Security receipts						
5) Borrower group-wise classification of assets financed as in (2) and (3) above						
Particulars	Secured		Amount net of provisions Unsecured		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
1. Related parties**						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related						
2. Other than related	17,171.86	9,105.75	15,107.98	5,570.43	32,279.84	14,676.18
TOTAL	17,171.86	9,105.75	15,107.98	5,570.43	32,279.84	14,676.18
** As per Accounting Standard 18 - Related Party Transactions						
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 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017		
1) Related parties						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related parties						
2) Other than related parties						
TOTAL						
7) Other information						
a) Gross non-performing assets						
1) Related parties						
2) Other than related parties			346.02	61.97		
b) Net non-performing assets						
1) Related parties						
2) Other than related parties			307.42	53.01		
c) Assets acquired in satisfaction of debt						

Note:

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

3.63 Details of transaction with non executive directors

Name of the Director	Nature of Transaction	As at 31 March 2018	As at 31 March 2017
Mr. Mitul Shah	Sitting fees	0.22	0.20
Mr. Sanjay Shah	Sitting fees	0.22	0.20



Edelweiss Retail Finance Limited
Notes to the financial statements (Continued)
For the year ended 31 March 2018

(Currency: Indian rupees in Million)

3.64 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2018.

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

3.66 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 08th November to 30th December 2016 pursuant to notification no. G.S.R. 308(E) dated 30th March 2017

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.13	0.00	2.13
(+) Permitted receipts	-	0.42	0.42
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	2.13	0.42	2.55
Closing cash in hand as on 30.12.2016	-	0.00 [^]	0.00 [^]

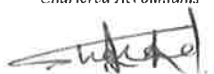
[^] Amount is less than 0.01 million

* For the purposes of this clause, the term specified bank notes (SBNs) means the bank notes of denomination of existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs No. S.O.3407(E), dated 8th November 2016.

Previous year's figures have been regrouped and rearranged wherever necessary confirm to current year's presentation / classification.

Signature to notes forming part of the Financial Statements

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number 012754N/N500016
Chartered Accountants



Sharad Agarwal
Partner
Membership No: 118522

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



Anil Kothuri
Director
DIN: 00177945



Shalinee Mimani
Director
DIN : 07404075



Vineet Mahajan
Chief Financial Officer



Sudipta Majumdar
Company Secretary
Membership no - A33961
02 May 2018

Mumbai
02 May 2018

02 May 2018