

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Financial Statement for the year ended March 31, 2021

Edelweiss Retail Finance Limited

Financial Statement for the year ended March 31, 2021

Details as on June 10, 2021

Board of Directors

Ms. Shilpa Gattani	- Non- Executive Director
Mr. Sunil Phatarphekar	- Independent Director
*Mr. Vinod Juneja	- Independent Director
Mr. Phanindranath Kakarla	- Non- Executive Director
Mr. Deepak Mundra	- Non- Executive Director

* Appointed w.e.f 15.05.2021

Chief Executive Officer

Mr. Mehernosh Tata

Chief Financial Officer

Mr. Shailendra Dhupiya

Company Secretary

Mr. Amit Pandey (resigned w.e.f. June 7, 2021)

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP

Registered Office

Tower 3, Wing B, Kohinoor City ,
Kiroli Road , Kurla West
Mumbai – 400 070

Corporate Identity No.:

U67120MH1997PLC285490

Tel: +91 22 4009 4400;

Fax: +91 22 4019 4925;

Email: cs.cbg@edelweissfin.com

Debenture Trustee

IDBI Trusteeship Services Limited

T: (91) (22) 40807068

Asian Building, Ground Floor,

17, R. Kamani Marg, Ballard Estate,

Mumbai – 400 001.

Website: <http://www.idbitrustee.com>

Registrar & Transfer Agent

Link Intime India Private Limited

C- 101 1st Floor 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai 400083, Maharashtra, India

Tel: +91 22 4918 6200; Fax: +91 22 4918 619

Kfin Technologies Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nanakramguda,

Hyderabad - 500 032

Tel: +91 40 6716 222; Fax: +91 40 2300 1153

BOARD'S REPORT

To the Members of
 Edelweiss Retail Finance Limited (the Company),

The Directors hereby present their 24th Annual Report on the business, operations and the state of affairs of the Company together with the Audited Financial Statements for the year ended March 31, 2021: -

Financial Highlights

Rs. in millions

Particulars	2020-21	2019-20
Total Income	2,500.73	2,893.63
Total Expenditure	2,171.13	2,860.21
Profit before tax	329.60	33.42
Provision for tax (including Deferred Tax)	61.05	22.76
Profit after tax	268.55	10.66
Add: Profit and Loss account balance brought forward from previous year	475.41	479.14
Other Comprehensive Income	0.32	(0.15)
Transition impact of Ind AS 116 (net of tax)	-	(12.14)
Profit available for appropriation	744.28	477.41
Appropriations		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(53.72)	(2.10)
- Transfer to/from Debenture Redemption Reserve	269.30	-
- Deemed distribution during the year	-	-
Surplus carried to Balance Sheet	959.86	475.41

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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 which is attached as “**Annexure I**” to this Report and that same is in accordance with the provisions of the RBI Master Direction No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended from time to time.

Major events during the year

Application for merger of the Company with ECL Finance Limited

The Company has filed an application under Section 230 to 232 of the Companies Act, 2013 before the National Company Law Tribunal (“NCLT”) Mumbai Bench on March 26, 2019 for merger of the Company with ECL Finance Limited. Further, in view of the affidavits of all Equity shareholders of the Company, the requirement of Shareholders’ meeting for considering and/or approving the amalgamation has been dispensed by NCLT Mumbai Bench vide its order dated August 16, 2019. Also, the Bench has directed the Company to send notices to all its secured/ unsecured creditors (which are due and payable as on June 30, 2019) in the manner mentioned in the said order. Further, on March 25, 2019, our Company applied for approval from the Reserve Bank of India in relation to the merger of the Company with ECL Finance Limited, which was approved by the RBI on September 27, 2019.

Reserves and Surplus

The details of the Reserves and Surplus are given in the Financial Statement attached herewith.

Share Capital

As at March 31, 2021, Authorised Share Capital and Paid up Share capital of the Company stands at Rs. 500.00 million and Rs. 429.50 million respectively.

There was no change in the Share Capital of the Company during the Financial Year ended March 31, 2021.

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Finance & Credit Ratings

During the year under review, your company neither issued any securities nor borrowed any long term funds, as the company have sufficient liquidity/availability of resources in line Asset Liability Management requirements.

The Company enjoys credit rating from various Rating Agencies. The details of the credit ratings are furnished in the Notes to the Financial Statements.

Subsidiaries, Joint Ventures and Associate Company:

Your Company does not have any Subsidiary or Associate Company, nor has it entered into any Joint Venture Agreement under the provisions of the Companies Act, 2013.

The Company holds investment in various trusts in the form of Security Receipts. The details of such trusts are given in the Notes to the Financial Statements.

Our network of offices

We operate through a wide network of 39 offices as of March 31, 2021 spread across 17 States and 1 Union Territory. The reach of our branches allows us to service our existing customers and attract new customers. We service multiple products through each of our offices, which reduces operating costs and improves total sales. Our spread out office network reduces our reliance on any one region in India and allows us to apply best practices developed in one region to other regions. Our geographic diversification also mitigates some of the regional, climatic and cyclical risks, such as heavy monsoons or droughts.

Loans, Investments and Guarantees

During the year under review, the Company had not made any investments in terms of provisions of Section 186(1) of the Act. Except for Section 186(1), the provisions of Section 186 of the Act pertaining to making investments, granting of loans to any persons or body corporate and giving of guarantees or providing security in connection with the loan to any other body corporate or persons are not applicable to the Company, since the Company is a Non-Banking Financial Company, registered with Reserve Bank of India.

Related Party Transactions

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. Particulars of contracts or arrangements with the related Parties as referred to in sub-section (1) of Section 188 and forming part of this report are provided in the financial statement and also annexed as **Annexure IV** (Form

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AOC-2). All the Related Party Transactions as required under Ind AS-24 are reported in the Notes to the financial statement.

The Company has formulated Related Party Transactions Policy, which is uploaded on the website of the Company, at <https://www.edelweissretailfin.com/corporate-governance/?Other%20Policies>

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

There has been no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the Financial Statement relates (i.e. March 31, 2021) and the date of the report.

Annual Return

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the copy of the annual return would be made available on the website of the Company at <https://www.edelweissretailfin.com> within the prescribed timelines.

Directors and Key Managerial Personnel

i) Independent Directors

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section. Accordingly, the Company confirms that in the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in Section 149(6) of the Companies Act, 2013 and that the independent directors are independent of the management.

ii) Changes in Directors

- a) Appointment of Mr. Sunil Phatarphekar (DIN: 00005164) as an Independent Director w.e.f. April 12, 2020 has been confirmed by the Shareholders in the Annual General Meeting (AGM) of the Company held on December 15, 2020 for a period of 5 years.
- b) Mr. Mitul Bhagwandas Shah resigned as an Independent Director of the Company with effect from February 20, 2021.

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- c) Mr. Deepak Mundra (DIN: 06733120) and Mr. Phanindranath Kakarla (DIN: 02076676) appointed as Non-Executive Directors of the Company with effect from September 15, 2020, which was confirmed by the Shareholders in the Annual General Meeting (AGM) of the Company held on December 15, 2020.
- d) Mr. Phanindranath Kakarla (DIN: 02076676) retires by rotation at the forthcoming Annual General Meeting (AGM) and, being eligible, offers himself for re-appointment.
- e) On the recommendation of Nomination & Remuneration Committee of the Company, the Board appointed Dr. Vinod Anand Juneja (DIN: 00044311) as an Independent Director (Additional Director) w.e.f. May 15, 2021 and that he shall hold office as an Independent Director till the conclusion of the Annual General Meeting of the Company to be held in the year 2024. Further, as an additional director, he shall holds office up to the date of the ensuing Annual General Meeting (AGM). The enabling resolution for his confirmation as an Independent Director till the conclusion of the Annual General Meeting of the Company to be held in the year 2024, is being placed in the Notice of the forthcoming AGM for approval of the shareholders.

iii) Key Managerial Personnel

During the year under review and until the date of this report, there were following changes in the Key Managerial Personnel of the Company:

Sr. No	Name of the KMP	Nature of Change	Effective Date
1.	Mr. Shailendra Dhupiya	Appointed as Chief Financial Officer (CFO)	July 3, 2020
2.	Mr. Mehernosh Tata	Appointed as Chief-Executive Officer (CEO)	July 3, 2020
3.	Mr. Amit Pandey	Resigned as Company Secretary	June 7, 2021

Number of Board Meetings held

During the financial year 2020-21, Four (4) Board Meetings were held i.e. on July 3, 2020, August 14, 2020, October 29, 2020 and February 12, 2021.

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Remuneration Policy

The Company has formulated a Remuneration Policy as per the provisions of Section 178 of the Companies Act, 2013. The Policy is provided as **Annexure II** to this Report and is also placed on the website of the Company viz. <https://www.edelweissretailfin.com/corporate-governance/?Other%20Policies>.

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, 2021.

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.

Internal Control System

The internal controls at Edelweiss are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to ensure reasonable assurance with regard to maintaining proper accounting controls, substantiation of financial statements and adherence to IND AS requirements, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act 2013.

The Internal Control Framework of Edelweiss follows the below assurance practices to strengthen overall control:

- COSO framework is implemented by considering the control environment, periodic risk assessment, performing control activity, timely communication to management and monitoring the control activities on a continuous basis.
- Assurance on process efficiency by defining relevant, adequate scope of internal audit, pro-actively preparing for regulatory review, remediating through preventive and corrective steps for identified risk events.

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- Reliability of internal controls aligned to risks identified in Risk Control Self-Assessment (RCSA) is monitored through process and internal financial control review.
- Adequate documentation in the form of policies and SOPs (Standard Operating Procedures) enhances the control mechanism.

Internal Financial Controls

The internal financial controls adopted by the Company are in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based on its internal evaluation and as confirmed by the Statutory Auditors of the Company, the management team believes that adequate internal financial controls exist in relation to its Financial Statements.

Risk Management

Risk management is an integral part of the Company's business strategy. The Risk Management Committee oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel. The Company adopts a conservative and forward looking risk management practices while lending. The risk framework ensures that the Company underwrites to prudent risk standards, focuses on its target segment and delivers sustainable profitability. The senior management is responsible for ensuring that appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Company, with due support and guidance from the Risk Management Team. The company leverages analytics to design relevant application level scorecards and also ensures dashboards for effective dynamic portfolio monitoring.

During the year under review, the Risk Management Committee met Four (4) times i.e. on July 13, 2020, August 28, 2020, November 9, 2020, March 2, 2021. The constitution and the number of meetings attended by the Members of the committee during the year under review is given below:

Member	Category	Meetings held	Meetings attended
Mr. Mehernosh Tata [#]	Chief Executive Officer	4	4
Mr. Shailendra Dhupiya	Chief Financial Officer	4	4
Ms. Shilpa Gattani	Non- Executive Director	4	4
Mr. Nirav Kamdar	Member	4	4
Mr. Deepak Mundra [*]	Non- Executive Director	1	1

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Mr. Mehernosh Tata appointed w.e.f. July 3, 2020

*Mr. Deepak Mundra appointed w.e.f. September 15, 2020.

Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), the Board of the Company has constituted an Audit Committee. During the year ended March 31, 2021, the Audit Committee met 4 (Four) times i.e. on July 3, 2020, August 14, 2020, October 29, 2020 and February 12, 2021. The constitution and the number of meetings attended by the Members of the Audit Committee during the year under review is given below:

Member	Category	Meetings held/ Liable to attend	Meetings attended
Mr. Mitul Bhagvandas* Shah	Independent Director	4	4
Mr. Sunil Phatarphekar [§]	Independent Director	4	4
Ms. Shilpa Gattani	Non- Executive Director	4	4

[§]Mr. Sunil Phatarphekar appointed w.e.f. April 12, 2020.

*Mr. Mitul Bhagvandas Shah resigned w.e.f. February 20, 2021.

Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013, (the Act), the Board of the Company has constituted a Nomination and Remuneration Committee (NRC). During the year ended March 31, 2021, the Nomination & Remuneration Committee met 1 (One) time i.e. on July 3, 2020. The constitution and the number of meetings attended by the Members of the NRC during the year under review is given below:

Member	Category	Meetings held/ Liable to attend	Meetings attended
Mr. Mitul Bhagvandas Shah*	Independent Director	1	1
Mr. Sunil Phatarphekar [§]	Independent Director	1	1
Ms. Shilpa Gattani	Non- Executive Director	1	1

[§]Mr. Sunil Phatarphekar appointed w.e.f. April 12, 2020.

*Mr. Mitul Bhagvandas Shah resigned w.e.f. February 20, 2021.

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Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board has constituted a Corporate Social Responsibility Committee. During the year ended March 31, 2021, the Corporate Social Responsibility Committee met twice on July 3, 2020 & February 12, 2021. The constitution and the number of meetings attended by the Members of the CSR Committee during the year under review is given below:

Member	Category	Meetings held	Meetings attended
Mr. Mitul Bhagvandas Shah*	Independent Director	2	2
Mr. Sunil Phatarphekar [§]	Independent Director	2	2
Ms. Shilpa Gattani	Non-Executive Director	2	2

[§]Mr. Sunil Phatarphekar appointed w.e.f. April 12, 2020.

*Mr. Mitul Bhagvandas Shah resigned w.e.f. February 20, 2021.

The CSR Policy of the Company is available on the website of the Company i.e. <https://www.edelweissretailfin.com/corporate-governance/?Other%20Policies>. The details with respect to the CSR Policy and expenditure made by the Company during the year under review are provided in **Annexure III** to this report.

Stakeholders Relationship Committee

In accordance with the provisions of Section 178 of the Act, the Board of Directors of the Company have constituted the Stakeholders Relationship Committee ('SRC Committee'). During the year ended March 31, 2021, the Stakeholders Relationship Committee met twice on July 3, 2020 & October 29, 2020. The constitution and the number of meetings attended by the Members of the SRC Committee during the year under review is given below:

Member	Category	Meetings held	Meetings attended
Mr. Mitul Bhagvandas Shah*	Independent Director	2	2
Ms. Shilpa Gattani	Non- Executive Director	2	2
Mr. Amit Pandey [§]	Company Secretary	2	2

*Mr. Mitul Bhagvandas Shah resigned w.e.f. February 20, 2021.

[§]Mr. Amit Pandey resigned w.e.f. June 7, 2021.

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Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act). M/s. S.R. Batliboi & Co. LLP has been appointed as the Auditors of the Company to hold office till the conclusion of 26th Annual General Meeting of the Company.

Reserve Bank of India ("RBI") has issued a circular ("Circular") dated 27th April 2021 on Guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs). The circular amongst other restrictions inter-alia stipulates appointment of Statutory Auditors for a continuous period of 3 years and thereafter, reappointment in the same entity would not be eligible for six years (two tenures). The company will take steps to comply with the circular as necessary.

Secretarial Audit

The Board had appointed M/s. Sanjay Grover & Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year ended March 31, 2021. A report issued by the Secretarial Auditors is annexed as **Annexure V**. The Secretarial Audit Report does not contain any qualifications, reservations and adverse remarks.

Prevention of Sexual harassment of Women at Workplace

The Company has framed a Policy on Prevention of Sexual Harassment at workplace. There was no case reported during the year ended March 31, 2021 under the Policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

A. Conservation of energy

i) 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:

- Quarterly /Periodic maintenance of Air Conditioners are carried out for better performance and to control power consumption across branches.

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- Electrical Planned Preventive Maintenance is performed at the branches to ensure that the health of the Electrical set-up is maintained which in turn conserves energy.
 - changed the HVAC schedule running operation which reduces the unnecessary running of Air conditioner.
 - Replaced the normal lighting fixture with LED fixtures with low kw rating with same Lux level which reduced the lighting load.
- 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 equipment - Nil

B. Technology absorption

i) The efforts made towards technology absorption:

The following efforts have been taken towards technology absorption:

- The Company is continually working towards streamlining & optimizing the business workflows via technology absorption for most of the business functions & operations of the Company;
- Majority of legacy applications have been, either consolidated, or decommissioned; & have been replaced with digital workflows & modern technology solutions;
- Engineering of better technology solutions & elimination of fragmented applications, legacy applications, or applications functioning in silos; a continuous process; shall continue in-parallel; so that there are no outages & zero business continuity risks;
- The Company is continually working towards digitization & digitalization across various business verticals;
- The Company has adopted a cloud-first approach, for all of its existing & future applications; with a keen intent of optimizing technology spends & embracing cutting-edge tech stack.

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The benefits derived like product improvement, cost reduction, product development or import substitution:

- Reduction of data-loss during customer onboarding;
- Consolidation of digital assets, storage & speedy retrieval;
- Various product enhancements; and
- Cost & resource optimization of ownership & upkeep of multiple applications relating to manpower, infrastructure, support and maintenance.

ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- 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:

- Not Applicable

iii) The expenditure incurred on Research and Development:

The Company does not have a dedicated R&D division. However, the Company has been adopting cutting edge technology stack (low-code / no-code development platform, etc.) and unconventional models for solution engineering; for fastest go-to-market product deliveries.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the year under review and foreign outgo was Rs 31.43 million.

Other Disclosure

No disclosure is required in respect of the details relating to the 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, 2021. 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. No material changes have occurred between the end of financial year i.e. March 31, 2021 and

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the date of the report affecting the financial position of your Company. Further, no fraud was reported by the Auditors under sub-section (12) of section 143 during the year under review. The Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Deposits

The Company neither held any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

Whistle Blower Policy/Vigil Mechanism

The Company has established Vigil Mechanism ('Whistle-blower Mechanism') which envisages reporting by directors and employees about their genuine concerns or grievances. The policy is uploaded on <https://www.edelweissretailfin.com/corporate-governance/?Other%20Policies>. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism.

Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year

In the opinion of the Board, all the Independent Directors meets the standards of the Company with regard to integrity, expertise and experience (including the proficiency). Further their name has been included in the data bank created by IICA in terms of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 dated October 22, 2019.

Particulars of Employees

In terms of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration and compensation of the employees are to be set out as an **Annexure VI** to the Board's Report. With respect to the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the said information is being sent to the shareholders of the Company. Any shareholder interested in obtaining such particulars may write to the Company Secretary of the Company at its Corporate Office address.

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Debenture Trustee:**IDBI Trusteeship Services Limited**

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Tel: +91 22 4080 7000;
Fax: +91 22 6631 1776/40807080
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Naresh Sachwani

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, 2021 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.

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Registered Office : Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kiroli Road, Kurla (west), Mumbai – 400070,
Maharashtra; ☎ +91 22 4272 2200

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

www.edelweissretailfin.com

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**

Date: June 10, 2021

Place: Mumbai

Sd/-

**Phanindranath Kakarla
Director
DIN: 02076676**

Sd/-

**Shilpa Gattani
Director
DIN: 05124763**

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Edelweiss Retail Finance Limited (ERFL)**FY2020-21****Management Discussion & Analysis****MACRO ECONOMY: REVIEW AND OUTLOOK**

Vladimir Lenin once said, “There are decades when nothing happens and there are weeks where decades happen”. The year FY21 had many such weeks. It was a year which witnessed one of the worst slowdowns in real GDP, but ironically one of the best for equity markets and corporate earnings. We witnessed dooms day scenario, recession, recovery and a bull run - all in 12 months.

The COVID-19 pandemic has brought out the human spirit to adapt and survive even the most challenging of times. In-fact, the crisis has compelled fiscal policy to be used more aggressively in western world and elsewhere. This along with a large monetary support resulted in the global monetary stance being very supportive to averting a prolonged slowdown.

India too mimicked the global response. While our lockdowns were undoubtedly more stringent, the recovery in the unlocking phase has been robust with strong policy response from both government as well as RBI. Central government has loosened its fiscal strings by expanding fiscal deficit by ~5% of GDP and by increasing spending ~28% YoY. While initially during lockdown spending was more towards providing relief and credit guarantee to MSMEs, it has pivoted towards capex in the unlocking phase (H2FY21).

Further, RBI’s support has also been critical during the pandemic. RBI has generally kept system awash with excess liquidity and brought down short term rates leading to significant vibrancy in bond market. AAA corporate bond spreads are close to all time low now. RBI has also announced a series of liquidity, credit, and regulatory measures on May 05, 2021 in response to the second wave/lockdowns to alleviate the impact on economy.

Going ahead, while the economy is recovering fast, the second COVID wave does pose near term challenges and its impact is yet to pan out fully. However, global recovery remains strong and should result in spill overs to India through trade, prices and flows channel. Macro-environment thus augurs well for India’s business cycle as well as financial sector.

Overall Outlook

While near-term outlook is clouded owing to uncertainties of second COVID wave, we believe that the medium term looks a lot brighter due to vaccination drive (largest in the world) being underway, global recovery likely to remain strong, India’s own macro vulnerabilities remaining low and domestic policy stance being most accommodative in a decade.

INDUSTRY STRUCTURE AND DEVELOPMENTS**Commercial Credit Markets****Banking Industry**

FY21 has been a tough year for the banking system with continued slowdown in credit growth and with the pandemic disrupting business operations, asset performance and profitability - all on top of a lacklustre FY20. To better deal with the uncertainty of the situation, banks focused on controlling asset quality, building provisioning buffer and raising capital.

In view of the lockdowns and continuing economic disruptions, RBI required banks/NBFCs to offer moratorium for a period of three months upto May 2020 which was further extended by three months. Banks saw moratorium requests in the range of 10%-30%. To better deal with the uncertainty of the situation, banks focused on building provisioning buffer and raising capital. Furthermore, Supreme Court announced forbearance on recognition of bad loans from August 2020 until late March 2021. These measures, while definitely helping the stricken

borrowers, also resulted in muted performance of banks.

However, overall stress in the sector was lower than initial estimates and the next fiscal should see gradual revival.

NBFC Industry

NBFCs, similar to banks, provided loan moratorium upto August 2020; post which recognition was curtailed by Supreme Court dispensation. Asset and retail financiers saw moratorium requests to the tune of 25-35% of assets.

While banks saw relief due to the first moratorium, non-bank lenders found themselves in a spot initially. Customers of NBFCs and HFCs have been provided a moratorium but banks were reluctant to extend relief on NBFC borrowings. However, the on tap liquidity measures provided by the RBI provided adequate funding to NBFCs.

Post festive season, many NBFCs also saw an improvement in their collection efficiency and restructuring requests were limited. Asset finance names would witness first post covid quarter of significant disbursement growth in Q4FY21; some unwind in credit costs due to seasonal recoveries; and better guidance/outlook on growth/credit costs. For large housing finance, margin benefits are limited by a competitive loan pricing environment but mortgage segment loan growth will continue as one of the highest in the financials landscape.

Assuming that the impact of the second COVID wave would be contained soon, while the segment is not entirely out of woods, comfortable capital position, control on asset quality and strengthened liquidity management practices provide comfort. Within NBFCs, well run business models with stronger balance sheets, prudent risk management practices and limited vulnerability to earnings will emerge stronger.

Retail Finance

India has one of the lowest credit penetration among larger economies and retail credit presents a large growth opportunity driven by long term trends of democratisation of credit, rising household incomes and increased consumption. However, in the near term, we expect growth will remain challenging with players also tightening risk metrics to reflect the emerging realities – for both banks and NBFCs.

In addition to retail mortgages, the other scalable area which has been a focus of all banks and NBFCs is SME finance owing to the government guaranteed scheme. This segment, though is an attractive offer for borrowers due to its lending cap, will pose challenges for lenders given constant business disruptions due to external uncertainties. Inopportune use of the ECLGS scheme without assessment of long term customer viability has the potential to compound up the size of the problem for certain SME loans.

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 the following **business groups**:

- **Credit business** including Retail Credit and Corporate Credit
- **Wealth Management** including Wealth Management and Capital Markets
- **Asset Management** including private markets and public markets
- **Asset Reconstruction**, and
- **Insurance** including Life and General Insurance

Edelweiss was founded in November 1995 with an aspiration to building a quality organization which would be guided by our values and beliefs and to create something for the long-haul. 25 years later, Edelweiss is one of India's largest diversified financial services firms, helping over 1.6 million customers across the country accomplish their dreams and aspirations.

Today, ERFL is a Rs. 15 billion asset base company with presence in SME Finance, Loan against Property, Wholesale Loans and Construction Finance, allowing it to address a considerable part of the financial needs of its customers.

FINANCIAL PERFORMANCE HIGHLIGHTS

With the macro-economic indicators starting to deteriorate, business sentiment turning bearish, liquidity crunch setting in for NBFCs during FY20 and finally the impact of COVID-19 Pandemic coming in towards the closure of the financial year, ERFL's focus during the year shifted to risk management including control over asset quality and liquidity management rather than chasing asset growth. This resulted in a temporary setback to the growth momentum it had achieved in the past few years. However, our strong business fundamentals have empowered us to stand strong even during the headwinds faced by NBFC industry. At the same time, we devoted the year to improving productivity of our employees, ensuring quality of credit and customers we lend to and building infrastructure including state of the art technology to be ready to partake our share of growth when it returns.

FINANCIAL HIGHLIGHTS FOR FY20

A summary of our FY21 financial highlights is as under:

- **Total Revenue: Rs.2500.73 million** (Rs.2893.64 million for FY20)
- **Profit after Tax: Rs. 268.54 million** (Rs.10.66 million for FY20)
- **Networth: Rs. 4,680.30 million** (Rs. 4,513.97 million at the end of FY20)
- **Return on Equity 5.64%** (0.22% for FY20)
- **EPS (Basic and Diluted) Rs.6.25** (Rs.0.25 for FY20) (FV Rs.10 per share)
- **Book Value per Share Rs.114.07** (Rs.107.81 for FY20) (FV Rs.10 per share)

INCOME**Fund Based Revenue**

Our fund-based businesses earned revenue of Rs.2237.63 million for FY21 (Rs. 2,706.46 million for FY20). Out of this, interest income was Rs.2,182.99 million (Rs.2,485.42 million for FY20). Thus, almost all of the fund-based revenue comprises of interest earnings.

Agency Fee & Commission

Our agency fee & commission revenue was Rs.54.64 million for the year, compared to Rs.221.03 million in FY20, down 75.3%.

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 FY21 was Rs.54.64 million (Rs.221.03 million for FY20) and Fund based net revenue, i.e. revenue net of interest cost, was Rs.833.85 million (Rs.738.04 million for FY20). Thus, the total net revenue for FY21 was Rs.943.16 million (Rs.1146.25 million for FY20).

EXPENSES

Our total costs for FY21 was Rs.2,171.13 million (Rs.2,860.21 million in FY20), down 24.1%. Within our total costs, operating expenses accounted for Rs.345.32 million in FY21 (Rs.319.63 million for FY20) and credit costs accounted for Rs.354.61 million in FY21 (Rs.731.71 million for FY20). Our employee expenses increased from Rs.41 million in FY19 to Rs.61 million in FY20. As regards interest expense which decreased from Rs.1,747.39 million in FY20 to Rs.1349.14 million in FY21, our borrowings at the end of FY21 were Rs.9,545.44 million compared to Rs. 14,527.54 million at the end of FY20, down 34.3%.

PROFIT AFTER TAX

Our Profit after Tax for FY21 was Rs.268.54 million compared to Rs.10.66 million for FY20.

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.4,680.30 million as at the end of FY21 compared to Rs. 4,513.97 million at the end of FY20. Amount of debt on the Balance Sheet as on March 31, 2021 was Rs. 9,545.44 million (Rs. 14,527.24 million as on March 31, 2020), a Gearing Ratio of 2.04 times for FY21, (3.21 times FY20). The comfortable leverage allows us enough headroom to continue to grow and invest in business. The gross Balance Sheet size at the end of FY21 was Rs. 15,184.59 million compared to Rs. 19,891.21 million a year ago.

ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

As per the recent amendments to the SEBI Listing Obligations and Disclosure Requirements (LODR), we give below additional information in respect of financial parameters that are applicable to our company:

1. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

(a) Debt Equity Ratio 1.95 for FY21 compared to 3.14 for FY20; representing reduction in Debt by 34.3%. This was due to lower borrowings on account of increased focus on risk management rather than chasing asset growth.

(b) Return of equity 5.64% for FY21, compared to 0.22% for FY20. Increase is mainly due to higher profit after tax during FY21.

BUSINESS PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY21 are as under:

CREDIT BUSINESS

Credit business of ERFL broadly offers SME Finance, Loan against Property, Wholesale Loans and Construction 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. 12,548.63 million at the end of this year compared to Rs. 16,136.80 million at the end of previous year, down 22.2%.

The composition of Gross Credit Book is as under:

(Rs. In million)		
Product/ Segment	As on March 31, 2021	As on March 31, 2020
Loan against Property	2,849.14	4,605.98
SME Loans	3,628.20	4,108.65
Construction Finance	132.66	339.16
Wholesale loans	5,938.63	7,083.01
Total Loan Book	12,548.63	16,136.80

Our Net Interest Margin (NIM) on the average credit book for FY21 is 5.8%.

Asset Quality

As a result of strict adherence to conservative credit appraisal, constant collateral monitoring and best-in-class risk management, ERFL has over the years managed to control its asset quality satisfactorily.

However this year is an exception due pandemic induced lockdown & consequential economic stress. Further NPA resolution & recovery process got delayed due to honorable Supreme court stay order on declaration of NPA. Consequently our Gross NPAs were at 12.4% and Net NPAs at 10.2% at the end of FY21 compared to Gross NPAs at 2.4% and Net NPAs at 1.9% at the end of FY20. Our specific provision cover Ratio as per the expected credit loss model as on March 31, 2021 was 17.9% compared to 19.7% as at the end of FY20.

Changing Liabilities Profile in Sync with Asset Profile

ERFL has over the period reducing dependence on group borrowings, diversify its sources of long term borrowing thereby bringing down dependence on short term borrowings. Out of total borrowings of Rs.9,545.45 million at the end of FY21 (Rs.14,527 million at the end of FY20), Rs. 6,195.32 million of borrowing at the end of FY21 having maturity beyond one year. We maintain a matched ALM as we keep aligning maturity profile of our assets and liabilities with changing balance sheet profile.

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, 2021 was 39.9% (29.4% as on March 31, 2020) with a Tier I Ratio of 26.7% (19.7% as on March 31, 2020)

OPPORTUNITIES

Financial services in India continue to offer enormous and scalable opportunities for companies like our company as under notwithstanding the recent economic downturn worsened by a prolonged Pandemic as the long-term growth story of India remains intact:

- Democratisation of credit, aspirations of younger population, household savings moving to

investments and increasing number of Demat accounts will continue to present growth opportunities for companies like ours.

- MSMEs contribute significantly to India's economy as well as employment generation. The government has introduced a number of incentives for them to grow. RBI and government are also helping them withstand the impact of the pandemic. In the long term, MSMEs will continue to be an important part of Indian economy and will continue to present large opportunities to finance them for companies like ours.
- The monsoon is predicted to be normal for the third year in a row which will boost farm sentiments and improve overall prospects of an economic revival.

THREATS

While the economy is gradually coming out of the shadows of the pandemic, following threats cannot be ruled out and these, if they materialize, could reverse the current revival of the economy including NBFC sector in India:

- A prolonged second COVID-19 wave may reverse recovery of macro-economy, domestically as well as globally.
- If the current challenges for NBFCs to source liabilities do not resolve soon, growth will continue to be a challenge for the sector.
- Any abnormal surge in oil prices or weak monsoon or further delay in revival of capex cycle can also inhibit growth.

OUTLOOK & STRATEGY

While the GDP growth forecast for FY22 is robust, threats as outlined above can quickly derail the current momentum of the economy. Though we are in the midst of another Covid-19 wave, we are also going through the biggest vaccination program that the world has seen. Hopefully, impact of the second wave will not be as severe as the first one. Our confidence in the long-term India story continues to remain intact and growth opportunities will come back sooner than later.

As we look forward, we will continue to focus on culture, people, nurturing and scaling our business. At the same time, we will also see some new paradigms of focus – process and institutionalisation and tech-oriented thinking.

As the economy gains traction gradually, we are well-placed to take advantage of this India growth cycle. With strong capitalisation, tailwinds from the economy and the inherent strength of our business, we are looking at an exciting and fulfilling journey ahead.

ENTERPRISE GROUPS

The business of our company is controlled and supported by a core of Enterprise Groups that provide consistent quality and rigour to key process functions. While our company itself is responsible and equipped with management of enterprise functions, it also draws upon the support from and expertise available at the Edelweiss Group level. Various steps taken by us to improve efficacy of Enterprise functions are detailed below.

GOVERNANCE

Governance is at the heart of everything we do and it transcends beyond compliance extending to ethics and values as well because we believe that well governed organisations tend to last longer. Governance to us means **Trust** covering Ethics & Integrity, **Legitimacy** encompassing Transparency, Authenticity and Fairness, **Accountability** including Decision making, responsiveness, **Competence** highlighting Simplicity, and above all **Respect** for letter and spirit of law.

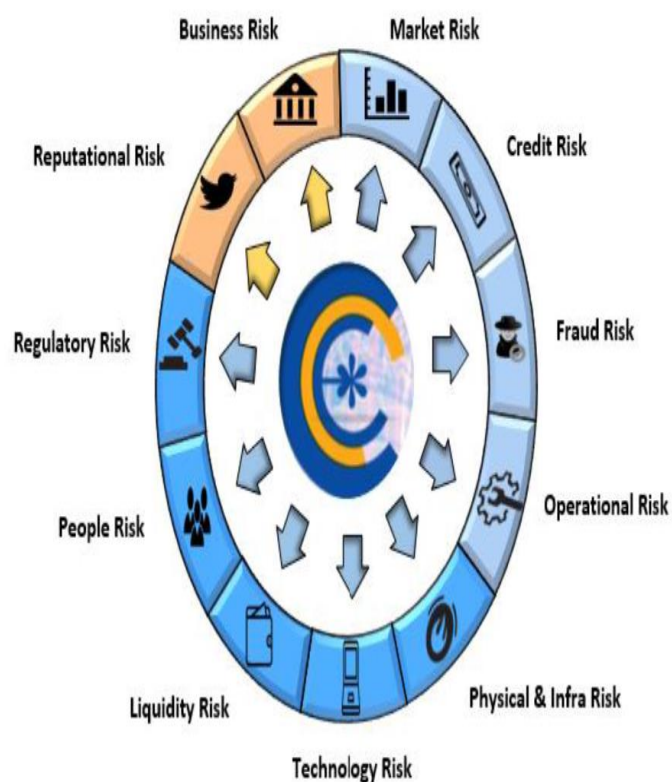
Our Board plays vital role in ensuring highest Governance level within the company by setting tone from top throughout the fabric of our organisation. They set higher standards on ethics, integrity, transparency and fairness leading us to build good framework for conduct, behaviour and process oversights at all levels.

In order to promote good governance culture, we have self-defined rules for good behaviour and conduct at individual as well as at entity levels covering issues of Conflict of Interest, Insider Trading, dealing with sensitive information etc. Learning from the recent past, we are refining some of practices to facilitate smooth functioning while working from home through use of technology ensuring that best in class compliance standards are met always.

RISK MANAGEMENT

Risk management is integral part of business at Edelweiss. The good risk management practices of the Group have facilitated navigating through environmentally turbulent times. Respect for Risk is central to every business decision at Edelweiss. Simple questions are to be answered before every decision, i.e., "Is it worth it?" and "Can we afford it?". This principle-based approach has stood well in protecting the organisation from vagaries of external world.

While we have been managing various risks, a need for holistic approach to risk management led us to embrace the **Enterprise Risk Management (ERM)** framework. This framework has helped us strategically benchmark our practices across different business lines to the best-in-class levels. We have also put in place an in-house "**Eleven-risk framework**" to formalize the process of Assess, Avoid, Manage and Mitigate risks across business verticals in a continuous manner. The objective of the ERM framework is to look at the risks from all perspectives, not just credit or financial risks and ensure that key risks are adequately and timely addressed.



The risk governance structure at Edelweiss Group/ERFL includes Board Risk Management Committee, Credit Approval Committee, Investment Committee, Asset Liability Management Committee, IT Strategy Committee, Whistle-blower Committee and Disciplinary Action Committee.

We use the "Three Lines of Defence" model to protect us from the various risks. The first line of defence comprises of the primary users – the business and the enterprise teams, whose responsibility is to ensure that the risks are identified, assessed, managed and mitigated. They have the primary accountability of the various risks. The second line of defence provide the risk oversight and is primarily comprised of our risk management and compliance functions. The risk management function also ensures that there is a right culture of risk appreciation and management in the organization, while defining the risk boundaries and ensuring protection against the extreme risks. The third line of defence comprises of our Internal

Audit function and various board appointed committees.

Risk Culture is of paramount importance to Edelweiss Group. We have taken multiple initiatives to further improve and strengthen the Risk Culture through the organisation. Appropriate risk behaviour is recognized and applauded through specific reward and recognition programs.

Last year, the whole world has faced a tail risk event of COVID-19 Pandemic. Coupled with national lockdown, this event necessitated unique approaches to mitigate different types of risk. Our advance preparation along with technology enablement in utmost agility ensured that almost all our critical staff could work from home seamlessly for business continuity and serving customer deliverables. In the short term, we are focused towards fighting the battle against COVID-19 and work is happening on different fronts for ensuring that we adapt to the New Normal going forward, as expeditiously as possible.

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

ERFL deals in multiple asset classes and client segments. Thus, we are exposed to various risks that can be broadly classified as credit risk, market risk, operational risk and fraud 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. Careful selection of quality and quantum of collateral is key for a client limit. Effective credit risk management has enabled us

to steer through the current 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 risks, a comprehensive set of reports and limits has been put in place, which 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.

All of the above will also help us in ensuring our compliance with Companies Act 2013 requirement of **“adequate internal financial controls system and operating effectiveness of such controls”**.

Fraud Risk

Business environment, increasing complexities and sophistication of technology makes us vulnerable to both internal & external fraud risks. At Edelweiss Group level we have defined and implemented an anti-fraud framework which lays emphasis on proactive reporting & early detection of incidents

which is also followed by us. Trainings & campaigns ensure that our employees are cognizant of this risk. More specifically, for ERFL, due diligence on borrower's income, KYC and title reports is carried out strictly as per laid down policy to ensure frauds are avoided.

Our paranoia about risk management has helped us to steer through environmental stress in recent times without a major impact.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Edelweiss Group has institutionalised a strong compliance culture across all the business entities recognising that transparency and trust amongst all its stakeholders can be achieved only through this. We believe compliance is the cornerstone of good corporate citizenship.

The internal controls at Edelweiss are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to ensure reasonable assurance with regard to maintaining proper accounting controls, substantiation of financial statements and adherence to IND AS requirements, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act 2013.

Internal Audit

Internal Auditors follow Standards on Internal Audit along with guidelines issued by regulators and ensure compliance with section 138 of the Companies Act 2013, read with Rule 13 of the Companies (Accounts) Rules, 2014, as amended and notified from time to time. The Internal Audit function operates under the supervision of the Audit Committee of the Board.

The internal audits are carried out by external professionals who provide independent view and assurance by assessing the adequacy and effectiveness of internal control, compliance to

internal and external guidelines and risk management practices. Internal Audit reports are reviewed by the Audit Committee of the Board.

HUMAN RESOURCES

Crisis begets opportunity and It is the strength of our people that has turned the pandemic and volatile economic environment into opportunity with their energy, persistence and agile thinking. Along with this, anchored to our guiding principles, our culture and values continue to guide our choices and keep us resilient.

Edelweiss's biggest strength has always been its people. They are always at the core of all designs, initiatives and programs in creating better experience through their life cycle of hiring, engagement, development.

Edelweiss Group is a cross-cultural mosaic and our strength lies in our diversity everywhere, within teams and across the organisation. Our diversity makes us stronger 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.

Our policies provide greater flexibility, equipping our employees to contribute with same or better productivity and engagement levels. A significant component of our value-based culture is also commitment to acknowledge and appreciate efforts of employees through extensive recognition programs.

Our offices are reimagined and repurposed to support work from home and hybrid work feasibility enabling employees to connect, collaborate, manage work interactions with a mix of remote, onsite and hybrid workforce, as well as with the clients.

Highlights of our HR initiatives in FY21 are as under:

- We ended FY21 with a headcount of 106 as of March 31, 2021.
- As growth comes back gradually in the New Normal of post COVID-19 scenario, we are scaling up to be in a better position to meet the challenges and complexity of our business as well as future business growth.

A significant component of our value based culture is our commitment to acknowledge and appreciate efforts of our employees through recognition programs that honor exemplary risk management, collaboration, customer centricity, people development, technology and innovation.

Taking care of our people with a framework that is fair, collaborative, compliant and responsive, Edelweiss represents a winning combination of people, opportunities and development.

People Practices during COVID-19 Pandemic

At the start of 2020, COVID-19 Pandemic came with specific challenges and a New Normal in the way of working. Our advanced planning and unique approaches helped us to address it promptly.

Employee safety being of utmost importance in this crisis, almost all critical staff were enabled to work from home with the help of technology. It further enabled employees to maintain their productivity to support business continuity, service internal and external stakeholders and customers.

We continued to remain grounded in our culture of care and our commitment to employee safety and wellbeing. During this pandemic, we made medical coverage for Covid-19 accessible early on for all employees and their dependent family members. As a family, through round-the-clock support from our Incident Room, working towards arranging for emergency services, employee outreach programs and 24*7 counselling services, we hope to support our employees in the best possible way.

Building on the foundation laid by the platform thinking approach, Edelweiss Group has advanced its digital transformation journey by:

- Reducing time to market (Ideation to Production) from years and months to weeks, by the agile implementation of new ideas using big data analytics and rapid automation that lowers costs
- Using technology and automation to improve efficiency by low-friction user experience and low-touch application processing
- Growing the business on a scalable microservices-based leading platform and secure infrastructure that seamlessly manages all forms of lending. New product launch times shorten by 50 to 70%.
- Strengthening the Data Lake ecosystem and Machine Learning capabilities to enable data mining. A lot more to do in near times in the credit decisions and predictive analytics space. Early success with Products based on statistical scorecards and algorithmic underwriting that has reduced default rates considerably
- Partnering with leading Technology Providers in the areas of micro-services, India stack APIs, Low Code, Data platform, and Infrastructure.

All these have facilitated rapid development and early value realization. Technology being the focus, Edelweiss has also strengthened its IT-Governance and Security by applying information protection, data classification, data encryption, data loss prevention, mobile data management for all assets for complete control of corporate data security and granular identity management and authentication.

These initiatives have provided 100% seamless and frictionless work from home experience for all the people in the organization during the Covid-19 lockdown.

TECHNOLOGY

Technology resiliency

The key pillars of Edelweiss Group technology resiliency have been:

- **Cloud adoption:** Migrating to the cloud ensured high availability, scalability and resiliency of our business applications with employees being able to securely access from anywhere, using any device and at any time
- **Unified collaboration suite:** Deployment of a unified collaboration suite helped improve the employee productivity
- **Intelligent Automation:** This enabled us to develop new experiences and deliver process changes rapidly through low code software development tools
- **Artificial Intelligence:** Leveraging advanced Machine Learning algorithms, we have deployed over 20 models for evaluating risks, performing AML checks, doing customer KYC, identifying frauds, etc. in the Group companies thereby building efficiencies in our business

Information Security & Governance

During the height of the COVID-19 global pandemic, the threat landscape reached a critical tipping point that will change cybersecurity forever. The new work-from-home reality brought about exponentially greater attack surfaces to introduce an untold number of new vectors and infinite opportunities for disruption. In order to cater to this changing landscape, we have moved away from the traditional castle-and-moat security model to zero trust security model. This new model requires strict identity verification for every person and device trying to access resources on a private corporate network, regardless of whether they are sitting within or outside of the corporate network perimeter.

Cloud-scale infrastructure and widely available attacker tools (PowerShell, Mimikatz and Cobalt Strike, all developed for legitimate use), combined with anonymous payment via Bitcoin, are tilting the playing field and arming threat actors of all sizes. Going forward, enhancing the Cloud security framework and governance at Edelweiss will continue to be a priority area.

Further, we have implemented state-of-the-art security solutions for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection etc. For customer data, we have gone the extra mile where all our customer data is well identified and encrypted at rest and in-motion (from storage to transmission). Data protection and privacy will continue to be the focus area for the year ahead.

With respect to IT Governance, we will continue to focus on process standardisation and strengthen our governance practices to ensure the right balance of efficiency, risk and compliance. Further even during these trying times, we have been able to maintain 100% regulatory and policy compliance of all our IT security controls with zero downtime.

CUSTOMER EXPERIENCE

At Edelweiss, Customer Experience (CX) is regarded as a key pillar of business success in true spirit.

With this motto in sight, we have continued to build a culture of customer-centric business. To drive this agenda, we have also implemented various measures including digital upgrade. 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 customers, throughout the value chain.

Cautionary Statement

Statements made in this Annual Report may contain certain forward looking statements, which are tentative, based on various assumptions on the Edelweiss Group's and ERFL's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and internationally, 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 the Company does not undertake any obligation to update these statements. The Company 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 discussion relating to business wise financial performance, balance sheet, asset books of the Company 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. Numbers have been re-casted, wherever required. Prior period figures have been regrouped/reclassified wherever necessary. FY19 and FY20 numbers are as per IndAS and rest all are as per IGAAP. All information in this discussion has been prepared solely by the company and has not been independently verified by anyone else.

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

Date: June 10, 2021

Place: Mumbai

Sd/-

**Phanindranath Kakarla
Director
DIN: 02076676**

Sd/-

**Shilpa Gattani
Director
DIN: 05124763**

Annexure - II

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.

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Annexure - III

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial year 2020-21

[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]

- Brief outline on CSR Policy of the Company:
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.
- Composition of CSR Committee as March 31, 2021:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Mitul Bhagvandas Shah*	Independent Director	2	2
2.	Mr. Sunil Phatarphekar [§]	Independent Director	2	2
3.	Ms. Shilpa Gattani	Non-Executive Director	2	2

[§]Mr. Sunil Phatarphekar appointed w.e.f. April 12, 2020.

*Mr. Mitul Bhagvandas Shah resigned w.e.f. February 20, 2021.

- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:
<https://www.edelweissretailfin.com>
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : Not Applicable

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5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2017-18	Nil	Nil
2	2018-19	Nil	Nil
3	2019-20	Nil	Nil
	Total	Nil	Nil

6. Average net profit of the Company as per section 135(5): Rs. 383.13 million

1. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 7.66 million
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil
 (c) Amount required to be set off for the financial year, if any : Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 7.66 million

2. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. In million)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
7.86	Nil	Nil	Nil	Nil	Nil

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(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Details provided in Annexure A												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
Nil									

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 7.86 million**

(g) Excess amount for set off, if any:

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Sl. No.	Particular	Amount (in Rs. million)
(i)	Two percent of average net profit of the company as per section 135(5)	7.66
(ii)	Total amount spent for the Financial Year	7.86
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.20
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

3. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. million)	Amount spent in the reporting Financial Year (in Rs. million).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. million)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2017-18*	Nil	2.50				-
2.	2018-19*	Nil	2.50				-
3.	2019-20	Nil	-				-
	Total	Nil	5.00				-

* The Company has not incurred the prescribed CSR expenditure on a standalone basis as the same was fulfilled on an overall basis at Edelweiss group level.

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(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
Details provided in Annexure B								

4. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Nil**

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

5. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

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

Sd/-
Shilpa Gattani
 Director
 DIN: 05124763

Sd/-
Sunil Phatarphekar
 Director
 DIN: 00005164

Mumbai
June 10, 2021

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Annexure A

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of CSR project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of project		Project duration (in Years)	Amount allocated for the project (INR)	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementation agency	
				State	District				Section 135(6)		Name	CSR registration no.
1	Running Mobile Science Learning Center	Education	Yes	Maharashtra	Raigad	3	49,94,885	49,94,885	-	No	EdelGive Foundation	CSR00000514
2	Collaborators for Transforming Education	Education	No	Maharashtra	Amravati, Gadchiroli	3	21,90,132	21,90,132	-	No	EdelGive Foundation	CSR00000514
3	English literate Maharashtra	Education	Yes	Maharashtra	Mumbai	3	6,78,581	6,78,581	-	No	EdelGive Foundation	CSR00000514
	TOTAL						78,63,598	78,63,598	-	-		

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Annexure IV
Form 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)

NIL

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:

(Currency: Indian rupees in millions)

I. Details of contracts or arrangements or transactions not at arm's length basis: Nil
II. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Amount (In millions)	Date of approval by the Board	Amount paid as advances, if any
1	ECL Finance Limited	Short term loan taken from (Maximum)	One Year	1,000.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
2	Edelweiss Housing Finance Limited	Short term loan taken from (Maximum)	One Year	4,000.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
3	Ecap Equities Limited	Short term loan taken from (Maximum)	One Year	1,400.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

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4	ECL Finance Limited	Short term loan taken from (Volume)	One Year	1,000.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
5	Edelweiss Housing Finance Limited	Short term loan taken from (Volume)	One Year	20,830.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
6	Ecap Equities Limited	Short term loan taken from (Volume)	One Year	2,400.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
7	ECL Finance Limited	Short term loan repaid to (Maximum)	One Year	1,000.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
8	Edelweiss Housing Finance Limited	Short term loan repaid to (Maximum)	One Year	4,000.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
9	Ecap Equities Limited	Short term loan repaid to (Maximum)	One Year	1,400.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
10	ECL Finance Limited	Short term loan repaid to (Volume)	One Year	1,000.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

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11	Edelweiss Housing Finance Limited	Short term loan repaid to (Volume)	One Year	20,830.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
12	Ecap Equities Limited	Short term loan repaid to (Volume)	One Year	2,400.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
13	ECL Finance Limited	Short term loans given to (Maximum)	One Year	1,500.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
14	Edelweiss Rural & Corporate Services Limited	Short term loans given to (Maximum)	One Year	250.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
15	Ecap Equities Limited	Short term loans given to (Maximum)	One Year	2,200.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
16	Edelcap Securities Limited	Short term loans given to (Maximum)	One Year	2,410.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
17	ECL Finance Limited	Short term loans given to (Volume)	One Year	2,035.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

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18	Edelweiss Rural & Corporate Services Limited	Short term loans given to (Volume)	One Year	250.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
19	Ecap Equities Limited	Short term loans given to (Volume)	One Year	4,397.70	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
20	Edelcap Securities Limited	Short term loans given to (Volume)	One Year	2,610.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
21	Edelweiss Housing Finance Limited	Short term loans repaid by (Maximum)	One Year	13.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
22	ECL Finance Limited	Short term loans repaid by (Maximum)	One Year	35.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
23	Edelweiss Rural & Corporate Services Limited	Short term loans repaid by (Maximum)	One Year	2,400.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
24	Ecap Equities Limited	Short term loans repaid by (Maximum)	One Year	2,410.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

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25	Edelcap Securities Limited	Short term loans repaid by (Maximum)	One Year	1,370.20	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
26	Edelweiss Housing Finance Limited	Short term loans repaid by (Volume)	One Year	13.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
27	ECL Finance Limited	Short term loans repaid by (Volume)	One Year	70.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
28	Edelweiss Rural & Corporate Services Limited	Short term loans repaid by (Volume)	One Year	2,400.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
29	Ecap Equities Limited	Short term loans repaid by (Volume)	One Year	4,397.70	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
30	Edelcap Securities Limited	Short term loans repaid by (Volume)	One Year	2,610.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
31	ECL Finance Limited	Loan portfolio purchase under direct assignment	One Time	1,784.69	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

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32	Edelweiss Housing Finance Limited	Loan sale to (assignment)	One Time	1,769.67	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
33	Edelweiss Rural & Corporate Services Limited	Securities Purchase	One Time	0.08	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
34	ECL Finance Limited	Securities Purchase	One Time	36.77	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
35	ECL Finance Limited	Bonds sold to	One Time	102.02	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
36	ECap Equities Limited	Bonds sold to	One Time	132.78	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
37	Edelweiss Housing Finance Limited	Redemption of Non convertible debenture held by (Face Value)	One Time	250.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
38	Edelweiss Asset Reconstruction Company Limited	Loan sale to ARC	One Time	5.99	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

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39	Edelweiss Custodial Services Limited	Margin placed	On going	71.35	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
40	Edelweiss Securities Limited	Margin placed	On going	0.36	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
41	Edelweiss Custodial Services Limited	Margin withdrawn	On going	70.65	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
42	Edelweiss Securities Limited	Margin withdrawn	On going	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
43	Edelweiss Securities Limited	Amount paid to broker for Cash segment	On going	563.78	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
44	Edelweiss Securities Limited	Amount Received from broker for Cash segment	On going	658.10	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
45	ECL Finance Limited	Shared premises cost received from	One Year	46.60	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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46	Edelweiss Housing Finance Limited	Shared premises cost received from	One Year	23.97	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
47	Edelweiss Asset Reconstruction Company Limited	Shared premises cost received from	One Year	0.37	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
48	Edelweiss Financial Services Limited	Shared premises cost received from	One Year	0.14	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
49	Edelweiss Broking Limited	Shared premises cost received from	One Year	0.18	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
50	Edelweiss Asset Management Limited	Shared premises cost received from	One Year	0.09	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
51	Edelweiss Housing Finance Limited	Interest income on loan to	One Year	0.28	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
52	ECL Finance Limited	Interest income on loan to	One Year	4.31	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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53	Edelweiss Rural & Corporate Services Limited	Interest income on loan to	One Year	134.99	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
54	ECap Equities Limited	Interest income on loan to	One Year	57.92	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
55	Edelcap Securities Limited	Interest income on loan to	One Year	86.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
56	ECL Finance Limited	Interest Income on Non convertible Debentures	One Year	22.70	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
57	Edelweiss Housing Finance Limited	Interest Income on Non convertible Debentures	One Year	0.24	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
58	Edelweiss Housing Finance Limited	Service charges received	One Year	0.66	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
59	Edelweiss Financial Services Limited	Management Fees received from	One Year	8.05	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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60	Edelweiss Securities Limited	Shared premises cost paid	One Year	0.01	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
61	Ecap Equities Limited	Shared premises cost paid	One Year	2.42	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
62	Edelweiss Rural & Corporate Services Limited	Shared premises cost paid	One Year	1.56	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
63	Edelweiss Custodial Services Limited	Shared premises cost paid	One Year	0.01	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
64	Edelweiss Financial Services Limited	Cost reimbursement paid to	One Year	9.22	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
65	Edelweiss Rural & Corporate Services Limited	Cost reimbursement paid to	One Year	19.30	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
66	Ecap Equities Limited	Cost reimbursement paid to	One Year	0.07	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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67	Edelweiss Securities Limited	Cost reimbursement paid to	One Year	0.08	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
68	ECL Finance Limited	Cost reimbursement paid to	One Year	0.28	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
69	Edelweiss General Insurance Company Limited	Cost reimbursement paid to	One Year	0.02	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
70	Edelweiss Asset Reconstruction Company Limited	Management Fees paid to	One Year	21.39	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
71	Edelweiss Housing Finance Limited	Interest paid on loan from	One Year	32.91	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
72	ECL Finance Limited	Interest paid on loan from	One Year	1.87	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
73	ECap Equities Limited	Interest paid on loan from	One Year	2.50	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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74	Edelweiss Rural & Corporate Services Limited	Interest paid on Non convertible debentures	One Year	1.64	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
75	Edelweiss Finance & Investments Limited	Interest paid on Non convertible debentures	One Year	0.01	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
76	Edel Finance Company Limited	Interest paid on Non convertible debentures	One Year	6.95	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
77	ECL Finance Limited	Interest paid on Non convertible debentures	One Year	3.17	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
78	Edelweiss Housing Finance Limited	Interest paid on Non convertible debentures	One Year	10.85	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
79	Edelweiss Tokio Life Insurance Company Limited	Interest paid on Non convertible debentures	One Year	3.70	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
80	Edelweiss Tokio Life Insurance Company Limited	Interest Expenses on Sub-debt	One Year	27.32	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

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81	Edelweiss Securities Limited	Brokerage paid	One Year	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
82	Edelweiss Custodial Services Limited	Clearing charges	One Year	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
83	Edelweiss Housing Finance Limited	Advisory fees paid to	One Year	9.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
84	Edel Land Limited	Guarantee fee paid	One Year	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
85	Edelweiss Housing Finance Limited	Service Fee paid to	One Year	0.02	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
86	ECL Finance Limited	Service Fee paid to	One Year	1.31	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
87	Edelweiss Rural & Corporate Services Limited	Risk & Reward Fees on Security Receipt sale paid	One Year	2.32	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Registered Office : Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kirod Road, Kurla (west), Mumbai – 400070,

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88	Edelweiss Financial Services Limited	Risk & Reward Fees on Security Receipt sale paid	One Year	0.81	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
89	EdelGive Foundation	CSR Expenses Paid to	One Time	17.93	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
90	Edelweiss Financial Services Limited	ESOP cost reimbursement	One Year	3.12	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
91	Edelweiss Financial Services Limited	Rating support fees paid to	One Year	0.04	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
92	Edelweiss Rural & Corporate Services Limited	Rating support fees paid to	One Year	0.08	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
93	Mr. Mitul Shah	Director Sitting fees	One Year	0.32	Within the limits prescribed in Companies Act	NIL
94	Mr. Sunil Phatarphekar	Director Sitting fees	One Year	0.26	Within the limits prescribed in Companies Act	NIL
95	Mr. Amit Pandey	Remuneration paid to	One Year	0.85	Not applicable	NIL
96	Mr. Mehernosh Tata	Remuneration paid to	One Year	8.62	Not applicable	NIL

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97	Mr. Shailendra Dhupiya	Remuneration paid to	One Year	2.84	Not applicable	NIL
98	ECL Finance Limited	Sale of Property, Plant and Equipment	One Time	0.03	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
99	Edelweiss Broking Limited	Sale of Property, Plant and Equipment	One Time	0.16	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
100	Edelweiss Custodial Services Limited	Sale of Property, Plant and Equipment	One Time	0.04	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
101	Edelweiss Housing Finance Limited	Sale of Property, Plant and Equipment	One Time	0.01	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
102	Edelweiss Rural & Corporate Services Limited	Sale of Property, Plant and Equipment	One Time	0.02	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
103	Edelweiss Securities Limited	Sale of Property, Plant and Equipment	One Time	0.02	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
104	Edel Investments Limited	Sale of Property, Plant and Equipment	One Time	0.03	February 13, 2020; July 3, 2020; December 6,	NIL

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					2020 and February 12, 2021	
105	Edelweiss Finance & Investments Limited	Sale of Property, Plant and Equipment	One Time	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
106	ECL Finance Limited	Purchase of Capital work in progress (software)	One Time	24.28	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
107	Edelweiss Rural & Corporate Services Limited	Purchase of Property, plant and equipment	One Time	0.01	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
108	ECL Finance Limited	Purchase of Property, plant and equipment	One Time	0.02	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
109	Edelweiss Broking Limited	Purchase of Property, plant and equipment	One Time	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
110	Edelweiss Finance & Investments Limited	Purchase of Property, plant and equipment	One Time	0.01	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
111	Edelweiss Housing Finance Limited	Interest accrued on short term borrowing	One Year	8.14	February 13, 2020; July 3, 2020; December 6,	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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					2020 and February 12, 2021	
112	ECL Finance Limited	Interest accrued on short term borrowing	One Year	1.73	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
113	ECL Finance Limited	Short Term loan given to	One Year	2,000.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
114	ECL Finance Limited	Interest accrued on short term loan given to	One Year	3.29	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
115	ECap Equities Limited	Interest accrued on short term loan given to	One Year	3.37	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
116	Edelcap Securities Limited	Interest accrued on short term loan given to	One Year	4.48	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
117	Edelweiss Rural & Corporate Services Limited	Non convertible debentures (at face value) held by	One Time	17.92	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
118	Edelweiss Finance & Investments Limited	Non convertible debentures (at face value) held by	One Time	0.50	February 13, 2020; July 3, 2020; December 6,	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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					2020 and February 12, 2021	
119	ECL Finance Limited	Non convertible debentures (at face value) held by	One Time	17.44	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
120	Edelweiss Tokio Life Insurance Company Limited	Subordinated debenture (Face Value) held by	One Time	140.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
121	Edel Finance Company Limited	Perpetual debenture (Face Value) held by	One Time	71.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
122	ECL Finance Limited	Non convertible debentures (Face Value) held in	One Time	47.40	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
123	Edelweiss Housing Finance Limited	Non convertible debentures (Face Value) held in	One Time	7.60	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
124	Edel Finance Company Limited	Interest accrued on Perpetual debentures held by	One Time	1.82	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

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125	Edelweiss Tokio Life Insurance Company Limited	Interest accrued on Subordinated debentures held by	One Year	124.88	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
126	Edelweiss Rural & Corporate Services Limited	Interest accrued on Non convertible debentures held by	One Time	0.04	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
127	ECL Finance Limited	Interest accrued on Non convertible debentures held by	One Time	0.07	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
128	Edelweiss Finance & Investments Limited	Interest accrued on Non convertible debentures held by	One Time	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
129	ECL Finance Limited	Interest accrued on Non convertible debentures held in	One Time	1.61	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
130	Edelweiss Housing Finance Limited	Interest accrued on Non convertible debentures held in	One Time	0.52	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
131	Edelweiss Housing Finance Limited	Trade Payables	On going	0.63	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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132	Edelweiss Financial Services Limited	Trade Payables	On going	1.03	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
133	Edelweiss Rural & Corporate Services Limited	Trade Payables	On going	4.40	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
134	ECL Finance Limited	Trade Payables	On going	0.75	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
135	Edelweiss Securities Limited	Trade Payables	On going	0.02	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
136	Edelweiss Broking Limited	Trade Payables	On going	0.03	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
137	Ecap Equities Limited	Trade Payables	On going	0.40	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
138	Edelweiss Custodial Services Limited	Trade Payables	On going	0.73	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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139	Edel Land Limited	Trade Payables	On going	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
140	Edelweiss Financial Services Limited	Other payable	On going	3.12	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
141	ECL Finance Limited	Trade Receivables	On going	8.39	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
142	Edelweiss Broking Limited	Trade Receivables	On going	0.00	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
143	Edelweiss Rural & Corporate Services Limited	Trade Receivables	On going	0.70	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
144	Edelweiss Housing Finance Limited	Trade Receivables	On going	1.87	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
145	Edelweiss Financial Services Limited	Trade Receivables	On going	8.90	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL

Edelweiss Retail Finance Limited

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146	Edelweiss Custodial Services Limited	Margin receivable	One Year	0.47	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
147	Edelweiss Securities Limited	Margin receivable	One Year	70.10	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
148	EARC Trust SC 373	Investment in Security Receipts issued by	One Year	162.71	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
149	EARC Trust SC 385	Investment in Security Receipts issued by	One Year	247.75	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
150	Edel Land Limited	Corporate Guarantee taken from	One Year	34.22	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
151	Edelweiss Financial Services Limited	Risk & Rewards sharing arrangement	One Year	648.97	February 13, 2020; July 3, 2020; December 6, 2020 and February 12, 2021	NIL
Notes -						
1	Sr no. 1 to 110 represent transactions during FY 2020-21 and sr no. 111 to 151 represent outstanding balance as at 31st March, 2021.					

Edelweiss Retail Finance Limited

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2	As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
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**For and on behalf of the Board of Directors
Edelweiss Retail Finance Limited**

**Sd/-
Phanindranath Kakarla
Director
DIN: 02076676**

**Sd/-
Shilpa Gattani
Director
DIN: 05124763**

Date: June 10, 2021

Place: Mumbai

Edelweiss Retail Finance Limited

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Annexure B

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of CSR project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of project		Project duration (in Years)	Amount allocated for the project (INR)	Amount spent in the current financial year	Amount transferred to unspent CSR account for the project as per	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementation agency	
				State	District				Section 135(6)		Name	CSR registration no.
1	English literate Maharashtra	Education	Yes	Maharashtra	Mumbai	3	10,75,375	10,75,375	-	No	EdelGive Foundation	CSR00000514
2	Building sustainability small and medium organisations suffering CoViD distress	Reducing inequalities	Yes	Pan India		2	89,91,027	89,91,027	-	No	EdelGive Foundation	CSR00000514
	TOTAL						1,00,66,402	1,00,66,402	-	-		

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

Registered Office : Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kiroli Road, Kurla (west), Mumbai – 400070,

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

Maharashtra; ☎ +91 22 4272 2200

www.edelweissretailfin.com

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, 2021

[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)
Tower 3, Wing B, Kohinoor City Mall,
Kohinoor City, Kiroi Road,
Kurla (W), Mumbai – 400070

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 on BSE Limited and National Stock Exchange of India Limited. 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 are 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 records and Books of Accounts 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 and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.



- 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.
- g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our online 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 financial year ended on 31st March, 2021 ("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, 2021 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, where applicable;
- (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 clients;



- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;¹
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015; ("SEBI LODR Regulations, 2015")

*No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India which, along with above, need to be further strengthened by the Company. Further, the Company was generally regular in filing of Forms/Returns/intimations with the Registrar of Companies, Reserve Bank of India and Stock Exchanges.

- During the Audit Period, the Company has generally complied with the provisions of the Act, Rules, Regulations, to the extent applicable, as mentioned above.

(vi) The Company being a Non-Banking Financing Company is 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;
- Various circulars, guidelines and regulation 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. 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 was given to all directors to schedule the Meetings, Agenda and detailed notes on agenda were sent in advance of the meeting 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.

¹Equity Shares of the Company are not listed on any recognised stock exchanges and only debt securities are listed on BSE Limited and National Stock Exchange of India Limited.



Board decisions were carried out with unanimous consent as recorded in the minutes of the meetings thereof.

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: —

- the members at their Extraordinary General Meeting held on December 15, 2020 passed a Special Resolution for issue of secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures ("the Debentures"), aggregating to Rs. 1000 Crores (Rupees One Thousand Crores only) on a private placement basis.
- as per Board's Report for the financial year ended March 31, 2020, the Company has filed an application before the Hon'ble National Company Law Tribunal, Mumbai Bench, on March 26, 2019, under Section 230 to 232 of the Companies Act, 2013 for merger of the Company with ECL Finance Limited. The Company has also filed an application with the Reserve Bank of India seeking its prior approval for the proposed merger which was approved by the RBI on September 27, 2019. Based on the explanation received from the Management, there is no further update in respect of said application.



A handwritten signature in blue ink, appearing to be "C. H.", written over the stamp.

New Delhi
June 10, 2021

**For Sanjay Grover & Associates
Company Secretaries**

Firm Registration No. P2001DE052900

A handwritten signature in blue ink, appearing to be "Mohinder Paul Kharbanda", written over the text.

**Mohinder Paul Kharbanda
Partner**

FCS No. 2365C.P. No. 22192
UDIN: F002365C000442244

ANNEXURE VI

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	NA		
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. Amit Pandey	Company Secretary	-#
		Mr. Mehernosh Tata*	Chief Executive Officer	-46.63%
		Mr. Shailendra Dhupiya**	Chief Financial Officer	-#
3	Percentage increase in the median remuneration of employees in the financial year	-51.35%		
4	Number of permanent employees on the rolls of Company at the end of the year	Employee on the rolls of Company as on 31 st March 2021 is 106.		

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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	The average increase in the remuneration for employees other than the managerial personnel is -203.3% and for managerial personnel -27.9%.
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.

*Appointed wef from July 3, 2020

** Appointed wef from July 3, 2020

*Since the remuneration of these directors/KMPs is only for part of the year /previous year the ratio of their remuneration to median and increase is not comparable.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Retail Finance Limited

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

Opinion

We have audited the accompanying Ind AS financial statements of Edelweiss Retail Finance Limited ("the Company"), which comprises the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 48.1.(j) to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (expected credit losses) <i>(as described in note 48.1 of the standalone Ind AS financial statements)</i>	
<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loan & Advances and Investment receivables ("Financial Instruments") using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability-weighted loss on Financial Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for:</p> <ol style="list-style-type: none"> Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. Determining effect of less frequent past events on future probability of default. Grouping of borrowers based on homogeneity by using appropriate statistical techniques; Determining macro-economic factors impacting credit quality of receivables; <p>Impact of COVID-19 The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank to ease the burden on businesses from hardship, pursuant to the Reserve Bank of India circular dated August 6, 2020 for "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" ("RBI circulars") allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions</p> <p>In management's view and considering the guidance provided by the Institute of Chartered Accountants of India ('ICAI'), providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic the macroeconomic overlay estimate is based on various highly uncertain and</p>	<ul style="list-style-type: none"> Our audit procedures included considering the Company's accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("the RBI Guidelines").. Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued by RBI on August 6, 2020 and tested the implementation of such policy on a sample basis. Evaluated management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. Assessed the additional considerations applied by the management for staging of loans as SICR Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. Tested the arithmetical accuracy of computation of ECL provision performed by the Company. Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.



unobservable factors. In accordance with the guidance in Ind AS 109, the macroeconomic overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.

In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.

Information Technology System

The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.

Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.

We performed the following procedures, assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting:

- Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.
- Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.
- Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.
- In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.
- Where deficiencies were identified, we tested compensating controls or performed alternate procedures.



Other Information

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

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

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

Edelweiss Retail Finance Limited**Auditor's report for the year ended March 31, 2021****Page 4 of 10****Responsibilities of Management for the Ind AS Financial Statements**

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

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

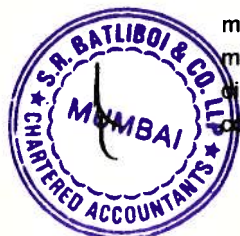
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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



future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 21102102AAAAKQ5475

Place of Signature: Mumbai
Date: June 10, 2021



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

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

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and services tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income-tax, goods and service tax, service tax, value added tax and cess which have not been deposited on account of dispute. The provision relating to employee's state insurance, sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, money raised by the Company by way of non-convertible debentures and term loans were applied for the purpose for which those were raised, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.



Edelweiss Retail Finance Limited

Auditor's report for the year ended March 31, 2021

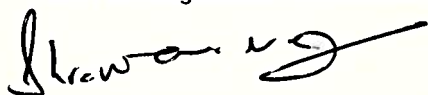
Page 8 of 10

- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 21102102AAAKQ5475

Place: Mumbai

Date: June 10, 2021



Edelweiss Retail Finance Limited

Auditor's report for the year ended March 31, 2021

Page 9 of 10

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

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

We have audited the internal financial controls with reference to Ind AS financial statements of Edelweiss Retail Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

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



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

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

Opinion

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

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



per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 21102102AAAKQ5475

Place of Signature: Mumbai
Date: June 10, 2021



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

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
(a) Cash and cash equivalents	8	704.40	2,681.42
(b) Bank balances other than cash and cash equivalents	9	277.19	302.12
(c) Securities held for trading	10	59.48	142.02
(d) Trade receivables	11	19.63	12.47
(e) Loans	12	11,923.91	15,643.99
(f) Investments	13	957.91	471.23
(g) Other financial assets	14	665.57	158.77
		14,608.09	19,412.02
Non-financial assets			
(a) Current tax assets (net)	15	151.43	164.03
(b) Deferred tax assets (net)	16	162.64	108.45
(c) Property, plant and equipment	17	111.48	144.89
(d) Intangible assets under development		52.32	0.00
(e) Other intangible assets	18	4.00	7.96
(f) Other non-financial assets	19	94.87	53.86
		576.74	479.19
TOTAL ASSETS		15,184.83	19,891.21
LIABILITIES			
Financial liabilities			
(a) Trade payables	20	111.44	68.69
(b) Debt securities	21	2,923.81	4,939.06
(c) Borrowings (other than debt securities)	22	4,502.60	7,499.12
(d) Subordinated liabilities	23	2,119.04	2,089.06
(e) Other financial liabilities	24	469.85	629.11
		10,126.74	15,225.04
Non-financial liabilities			
(a) Current tax liabilities (net)	25	95.34	23.80
(b) Provisions	26	8.74	1.33
(c) Other non-financial liabilities	27	54.75	10.65
		158.83	35.78
Equity			
(a) Equity share capital	28	429.50	429.50
(b) Other equity	29	4,469.76	4,200.89
		4,899.26	4,630.39
TOTAL LIABILITIES AND EQUITY		15,184.83	19,891.21

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

1 to 59

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

ICAI Firm Registration Number : 301003E/ E300005

Chartered Accountants

per **Shrawan Jalan**
Partner

Membership No. 102102



Place : Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors

Edelweiss Retail Finance Limited

Shilpa Gattani
Shilpa Gattani
Director
DIN: 05124763

MO Tata
Mehernosh Tata
Chief Executive Officer

Phanindranath Kakarla
Phanindranath Kakarla
Director
DIN: 02076676

Shailendra Dhupiya
Shailendra Dhupiya
Chief Financial Officer

Edelweiss Retail Finance Limited

Statement of Profit and Loss for the year ended March 31, 2021

(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	30	2,182.99	2,485.42
Dividend income		208.44	-
Fee and commission income	31	54.64	221.03
Net gain on fair value changes	32	12.74	168.12
Total revenue from operations		2,458.81	2,874.57
Other income	33	41.92	19.06
Total revenue		2,500.73	2,893.63
Expenses			
Finance costs	34	1,349.14	1,747.39
Impairment on financial instruments	35	354.61	731.71
Employee benefits expense	36	122.08	61.48
Depreciation, amortisation and impairment	17 & 18	41.29	74.01
Other expenses	37	304.01	245.62
Total expenses		2,171.13	2,860.21
Profit before tax		329.60	33.42
Tax expenses:			
Current tax	38	115.35	44.78
(1) Current tax		137.87	54.77
(2) Short / (Excess) provision for earlier years		(22.52)	(9.99)
Deferred tax	38.3	(54.30)	(22.02)
Profit for the year		268.55	10.66
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans	42	0.43	(0.20)
Less: Income tax relating to items that will not be reclassified to profit or loss	38.3	(0.11)	0.05
Other Comprehensive Income		0.32	(0.15)
Total Comprehensive Income		268.87	10.51
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic	40	6.26	0.25
(2) Diluted		6.26	0.25

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

1 to 59

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

ICAI Firm Registration Number : 301003E/ E300005

Chartered Accountants

per **Shrawan Jalan**
Partner

Membership No. 102102



Place : Mumbai
Date : June 10, 2021

For and on behalf of the Board of Directors

Edelweiss Retail Finance Limited

Shilpa Gattani
Shilpa Gattani
Director
DIN: 05124763

MD Tata
Mehernosh Tata
Chief Executive Officer

Phanindranath Kakarla
Phanindranath Kakarla
Director
DIN: 02076676

Shailendra Dhupiya
Shailendra Dhupiya
Chief Financial Officer

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

(Currency : Indian rupees in millions)

(a) Equity share capital

	Outstanding as on April 01, 2019	Issued during the year	Outstanding as on March 31, 2020	Issued during the year	Outstanding as on March 31, 2021
Issued, Subscribed and Paid up (Equity shares of Rs. 10 each, fully paid-up)	429.50	0.00	429.50	0.00	429.50
	429.50	0.00	429.50	0.00	429.50

(b) Other Equity

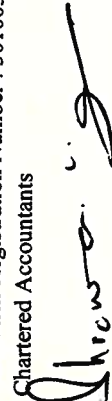
	Capital Reserve	Securities Premium Account	Deemed capital contribution - Equity shares	Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	Debt redemption reserve	Retained Earnings	Total
Balance at April 01, 2019	8.18	3,112.08	5.94	260.04	337.14	479.14	4,202.52
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	-	(12.14)	(12.14)
Profit for the year	-	-	-	-	-	10.66	10.66
Remeasurement loss on defined benefit plans	-	-	-	-	-	(0.15)	(0.15)
Total Comprehensive Income for the year	-	-	-	-	-	10.51	10.51
Transfers to / (from) retained earnings	-	-	-	-	-	(2.10)	-
Balance at March 31, 2020	8.18	3,112.08	5.94	262.14	337.14	475.41	4,200.89
Profit for the year	-	-	-	-	-	268.55	268.55
Remeasurement gain on defined benefit plans	-	-	-	-	-	0.32	0.32
Total Comprehensive Income for the year	-	-	-	-	-	268.87	268.87
Transfers from retained earnings	-	-	-	53.72	-	(53.72)	-
Transfers to retained earnings	-	-	-	-	(269.30)	269.30	-
Balance at March 31, 2021	8.18	3,112.08	5.94	315.86	67.84	959.86	4,469.76

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

ICAI Firm Registration Number : 301003E/ E300005

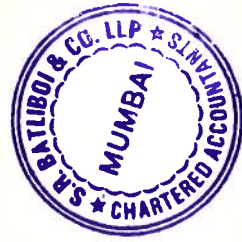
Chartered Accountants



per Shrawan Jalan

Partner

Membership No. 102102

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


Shilpa Gattani

Director

DIN: 05124763

Phanindranath Kakarla

Director

DIN: 02076676



Mehernosh Tata

Chief Executive Officer

Shailendra Dhupiya

Chief Financial Officer

Place : Mumbai

Date : June 10, 2021

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
Profit before tax	329.60	33.42
Adjustments for		
Depreciation, amortisation and impairment (refer note 17 & 18)	41.29	74.01
Impairment on financial instruments	354.61	731.71
Interest on lease liabilities	11.05	12.90
Expense on Employee stock option scheme	3.12	-
Loss on sale of Property, plant and equipment	6.62	4.48
Operating cash flow before working capital changes	746.29	856.52
Add / (Less): Adjustments for working capital changes		
Decrease/(Increase) in Trade receivables	(7.16)	12.30
Decrease/(Increase) in stock in trade	82.54	(142.02)
Decrease/(Increase) in Loans (net)	3,365.47	2,240.72
Decrease/(Increase) in Other financial assets	(481.89)	1,799.14
Decrease/(Increase) in Investments	(486.68)	(471.23)
Decrease/(Increase) in Other non financial assets	(41.01)	72.87
Increase / (Decrease) in Trade payables	39.63	(199.68)
Increase / (Decrease) in Non financial liabilities and provisions	51.95	(19.42)
Increase / (Decrease) in Other financial liability	(68.79)	505.12
Cash generated from operations	3,200.35	4,654.33
Income taxes paid (net)	(31.21)	(225.83)
Net cash generated from operating activities - A	3,169.14	4,428.50
B Cash flow from investing activities		
Purchase of Property, plant and equipment and Intangible Assets	(89.42)	(14.25)
Decrease/(Increase) in Intangibles under development	(52.32)	6.66
Sale of Property, plant and equipment	78.88	1.85
Net cash used in investing activities - B	(62.86)	(5.74)
C Cash flow from financing activities		
Increase / (Decrease) in Debt Securities ¹	(2,044.81)	0.00
Increase / (Decrease) in Borrowings other than Debt Securities ¹	(3,002.67)	(4,932.01)
Increase / (Decrease) in Subordinate Debt	0.01	-
Repayment of lease obligation	(35.83)	(47.45)
Net cash used in financing activities - C	(5,083.30)	(4,979.46)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(1,977.02)	(556.70)
Cash and cash equivalent as at the beginning of the year (refer note 8)	2,681.42	3,238.12
Cash and cash equivalent as at the end of the year (refer note 8)	704.40	2,681.42
Operational cash flows from interest and dividend		
Interest paid	1,290.86	1,725.88
Interest received	2,126.03	2,190.52
Dividend received	208.44	-
CSR contribution to Edel Give Foundation	17.93	-

Notes:

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
2. For disclosure relating to changes in liabilities arising from financing activities, refer note 39.
3. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

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

I to 59

As per our report of even date attached.

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

per Shrawan Jalan
Partner
Membership No. 102102



Shilpa Gattani
Shilpa Gattani
Director
DIN: 05124763

MD Tata
Mehernosh Tata
Chief Executive Officer

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

Phanindranath Kakarla
Phanindranath Kakarla
Director
DIN: 02076676

Shailendra Dhupiya
Shailendra Dhupiya
Chief Financial Officer

Place : Mumbai
Date : June 10, 2021

Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

1. Corporate Information:

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

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

2. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, derivative financial instruments, and other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

2.1 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 43-Maturity Analysis of assets and liabilities".

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

3. Significant accounting policies

3.1 Recognition of Interest income and Dividend income

3.1.1 Effective Interest Rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.



3.1.2 Interest Income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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

3.1.3 Fee and Commission Income

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

3.1.4 Dividend Income

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

3.1.5. Other Income

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

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 Initial measurement of financial instruments:

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

3.2.3 Classification and Measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

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

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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

3.3.2 Debt securities and other borrowed funds:

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

3.3.3 Financial Guarantee:

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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

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

3.3.4 Loan Commitments:

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

3.4 Reclassification of Financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company didn't reclassify any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial Instruments:

3.5.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

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

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

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

A transfer only qualifies for derecognition if either:

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



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

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

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

3.5.2 Derecognition of financial liabilities

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

3.6 Impairment of financial assets:

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

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

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General Approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Company categorises its financial assets as follows:

Stage 1 Assets:

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

Stage 2 Assets:

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

Stage 3 Assets:

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

Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

The Company's product offering includes a working capital facilities with a right to Company to cancel and/or reduce the facilities with one day's notice. The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

3.7 Collateral Valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, securities relating to margin requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models.

3.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

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

3.9 Write-Offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery besides technical / policy write off as per relevant policy.

3.10 Forborne and modified loan:

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

3.11 Determination of Fair Value:

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

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

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

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

Level 1 financial instruments:

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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

Level 2 financial instruments:

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

Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole.

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

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.12 Leases:

Company as a lessee:

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

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

Right of use assets

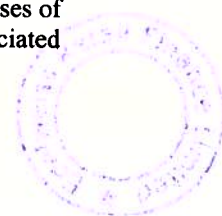
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The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

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

Company as lessor:

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

3.13 Earnings Per Share:

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

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

3.14 Retirement and other employee benefit:

3.14.1 Provident fund and national pension scheme:

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

3.14.2 Gratuity:

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

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

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

3.14.3 Compensated Absences:

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

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

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

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

3.15 Property, plant and equipment:

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

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

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

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

Nature of assets	Estimated useful lives
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

3.16 Intangible Assets:

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



3.17 Impairment of non-financial assets:

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

3.18 Provisions and other contingent liabilities:

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

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

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

3.19 Cash and cash equivalents

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

3.20 Income tax expenses:

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

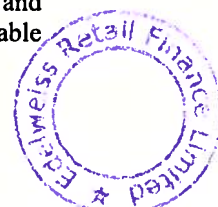
3.20.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.20.3 Current and Deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. Significant accounting judgements, estimates and assumptions:

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

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

4.1 Business model assessment:

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

4.2 Significant increase in credit risk:

As explained in note 48.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 48.1 for more details.

4.3 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



4.4 Fair value of financial instruments:

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

4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

4.6 Impairment of Financial assets:

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

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

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

4.7 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2021

4.8 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.9 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

5. Leases:

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

6. Standards issued but not yet effective:

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

7. A Scheme of Amalgamation for merger (Merger by Absorption) of Edelweiss Retail Finance Limited ("ERFL") with the Company ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with the Hon'ble National Company Law Tribunal ("NCLT") on March 26, 2019. Further, on March 25, 2019, the Company had applied for approval from the Reserve Bank of India in relation to the said merger, which was approved by the RBI on September 27, 2019. The Company is in process to obtain NOCs from all the lending banks.



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

	As at March 31, 2021	As at March 31, 2020
8 Cash and cash equivalents		
Balances with banks		
- in current accounts	554.08	681.18
- in fixed deposits with original maturity less than three months	150.32	2,000.24
	<u>704.40</u>	<u>2,681.42</u>
9 Bank balances other than cash and cash equivalents		
Fixed deposits with original maturity more than 12 months	23.34	22.60
Fixed deposits with original maturity more than three months and less than 12 months	253.85	279.52
	<u>277.19</u>	<u>302.12</u>
9.1. Encumbrances on fixed deposits with bank held by the Company		
Given as credit enhancements towards securitisation	-	179.01
Given as margin against the bank guarantee issued in favour of BSE Limited towards public issuance of non convertible debentures.	22.79	22.57
10 Securities held for trading		
<i>At fair value through profit and loss account</i>		
	As at March 31, 2021	As at March 31, 2020
	Face value Quantity Amount	Face value Quantity Amount
Debt Securities		
10.25% ECL Finance Limited Perpetual Bonds	- - -	10,00,000 210 142.02
9.65% ECL Finance Limited 06.08.2023 Bonds	1,000 14,936 15.72	- - -
0.00% ECL Finance Limited 04.04.2022 Bonds	1,000 7,209 8.51	- - -
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	1,000 7,465 7.68	- - -
10.20% ECL Finance Limited 04.04.2022 Bonds	1,000 3,829 3.98	- - -
9.45% ECL Finance Limited 06.08.2021 Bonds	1,000 3,540 3.91	- - -
0.00% ECL Finance Limited 06.08.2023 Bonds	1,000 3,834 3.91	- - -
9.90% ECL Finance Limited 28.11.2021 Bonds	1,000 3,601 3.83	- - -
0% ECL Finance Limited 06.08.2021 Bonds	1,000 2,105 2.59	- - -
10.20% ECL Finance Limited 23.08.2022 Bonds	1,000 1,951 2.20	- - -
0% ECL Finance Limited 23.08.2022 Bonds	1,000 1,762 2.09	- - -
9.25% ECL Finance Limited 06-Aug-2023 Bonds	1,000 1,853 1.77	- - -
0% ECL Finance Limited 23.05.2021 Bonds	1,000 1,337 1.59	- - -
10.40% ECL Finance Limited 04.01.2024 Bonds	1,000 772 0.76	- - -
9.90% ECL Finance Limited 23.05.2021 Bonds	1,000 453 0.53	- - -
0.00% ECL Finance Limited 04.01.2024 Bonds	1,000 218 0.21	- - -
0.00% Edelweiss Housing Finance Limited 19.07.2021 Bonds	1,000 122 0.19	- - -
9.75% Edelweiss Housing Finance Limited 19.07.2021 Bonds	1,000 8 0.01	- - -
0% ECL Finance Limited 23.05.2024 Bonds	1,000 3 0.00	- - -
10.60% ECL Finance Limited 04.01.2029 Bonds	1,000 1 0.00	- - -
<i>Total Debt securities</i>		<u>142.02</u>

Notes: Please refer note 49.2 Fair Value measurement for valuation methodologies for securities held for trading.

11 Trade receivables	As at March 31, 2021	As at March 31, 2020
Trade receivables (Unsecured)		
Receivables considered good - non-related party	0.37	1.45
Receivables considered good - related party - (Refer note 45)	19.96	11.16
Receivables which have significant increase in credit risk	0.14	-
	<u>20.47</u>	<u>12.61</u>
Less : Allowance for expected credit losses	(0.84)	(0.14)
	<u>19.63</u>	<u>12.47</u>

Reconciliation of impairment allowance on trade receivables:

For the year ended
March 31, 2021

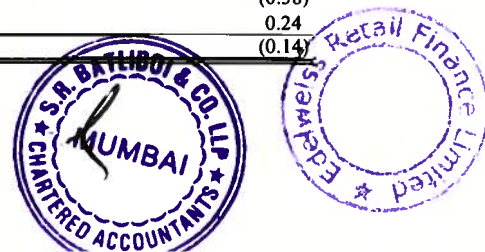
For the year ended
March 31, 2020

Impairment allowance measured as per simplified approach

Impairment allowance - Opening Balance
Add/ (less): asset originated or acquired (net)
Impairment allowance - Closing Balance

(0.14) (0.38)
(0.70) 0.24
(0.84) (0.14)

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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
12 Loans (At amortised Cost)		
A. Term Loans		
(i) Retail loans	6,610.03	9,053.80
(ii) Wholesale loans	5,938.60	7,083.00
Total (A) - Gross	12,548.63	16,136.80
Less: Allowance for expected credit loss (including on loan commitment)	(624.72)	(492.81)
Total (A) - Net	11,923.91	15,643.99
B. Term Loans		
(i) Secured by tangible assets (refer note 48.1.2)	8,228.16	10,742.13
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/ Government Guarantees	-	-
(iv) Unsecured	4,320.47	5,394.67
Total (B) - Gross	12,548.63	16,136.80
Less: Allowance for expected credit loss (including on loan commitment)	(624.72)	(492.81)
Total (B) - Net	11,923.91	15,643.99
C. Term Loans		
C.I Loans in India		
(i) Public Sectors	-	-
(ii) Others	12,548.63	16,136.80
Total (C.I) - Gross	12,548.63	16,136.80
Less: Allowance for expected credit loss (including on loan commitment)	(624.72)	(492.81)
Total (C.I) - Net	11,923.91	15,643.99
C.II Loans outside India	-	-
Less: Allowance for expected credit loss (including on loan commitment)	-	-
Total (C.II) - Net	-	-
Total: (C.I and C.II)	11,923.91	15,643.99



12.1. Credit Quality of Assets

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

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

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	7,686.17	-	-	7,686.17	12,442.48	-	-	12,442.48
Standard grade	-	3,301.29	-	3,301.29	-	3,312.94	-	3,312.94
Non-performing								
Impaired	-	-	1,561.17	1,561.17	-	-	381.38	381.38
Total	7,686.17	3,301.29	1,561.17	12,548.63	12,442.48	3,312.94	381.38	16,136.80

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

Particulars	Non-credit impaired Stage I		Non-credit impaired Stage II		Credit impaired Stage III		Total	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
For the year ended March 31, 2021								
Opening Balance	12,442.48	88.65	3,312.94	328.81	381.38	75.20	16,136.80	492.66
Transfers:								
Transfers to 12 Month ECL (Stage 1)	70.48	11.62	(68.50)	(10.07)	(1.98)	(1.54)	-	-
Transfers to lifetime ECL (Stage 2)	(646.69)	(9.72)	658.45	17.94	(11.75)	(8.22)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1,171.18)	(5.27)	(241.43)	(26.14)	1,412.61	31.41	-	-
Remeasurement of ECL arising from transfer of stage (net)		(8.77)		71.69		46.06		108.98
Net new and further lending/ (repayments)	(2,952.34)	26.42	252.64	(2.15)	20.98	176.48	(2,678.72)	200.75
Amounts written off	(56.57)	(8.51)	(92.15)	(45.89)	(15.87)	(12.41)	(164.59)	(66.81)
Loan sold to Asset Reconstruction Company Trust and AIF	-	-	(520.65)	(86.88)	(224.21)	(27.17)	(744.86)	(114.05)
Closing Balance	7,686.17	94.42	3,301.29	247.31	1,561.17	279.81	12,548.63	621.53
For the year ended March 31, 2020								
Opening Balance	17,472.97	149.45	1,007.32	226.27	598.40	86.31	19,078.69	462.03
Transfers:								
Transfers to 12 Month ECL (Stage 1)	16.62	4.62	(15.34)	(3.68)	(1.28)	(0.94)	-	-
Transfers to lifetime ECL (Stage 2)	(865.72)	(12.18)	883.31	14.82	(17.59)	(2.64)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(496.12)	(2.40)	(235.86)	(32.40)	731.98	34.80	-	-
Remeasurement of ECL arising from transfer of stage (net)		(4.28)		185.35		24.68		205.75
Net new and further lending/ (repayments)	(3,391.97)	(23.37)	1,865.25	30.20	79.23	18.50	(1,447.49)	25.33
Amounts written off	(293.30)	(23.19)	(191.74)	(91.75)	(10.02)	(2.96)	(495.06)	(117.90)
Loan sold to Asset Reconstruction Company Trust	-	-	-	-	(999.34)	(82.55)	(999.34)	(82.55)
Closing Balance	12,442.48	88.65	3,312.94	328.81	381.38	75.20	16,136.80	492.66



12.2. Credit Quality of exposure (Loan Commitment)

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

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	17.00	-	-	17.00	155.16	-	-	155.16
Standard grade	-	42.38	-	42.38	-	-	-	-
Non-performing								
Impaired	-	-	-	-	-	-	-	-
Total	17.00	42.38	-	59.38	155.16	-	-	155.16

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

Particulars	Non-credit impaired Stage I		Non-credit impaired Stage II		Credit impaired Stage III		Total	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
For the Year Ended March 31, 2021								
Opening Balance	155.16	0.13	-	-	-	-	155.16	0.13
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-	-
Net new sanctions and (disbursement)	(138.16)	0.36	42.38	2.70	-	-	(95.78)	3.06
Closing Balance	17.00	0.49	42.38	2.70	-	-	59.38	3.19
For the Year Ended March 31, 2020								
Opening Balance	246.14	0.24	-	-	-	-	246.14	0.24
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-	-
Net new sanctions and (disbursement)	(90.98)	(0.11)	-	-	-	-	(90.98)	(0.11)
Closing Balance	155.16	0.13	-	-	-	-	155.16	0.13



13 Investments

As at March 31, 2021	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts	-	-	714.03	-	714.03	-	714.03
Units of AIF	-	-	249.80	-	249.80	-	249.80
TOTAL - Gross (A)	-	-	963.83	-	963.83	-	963.83
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	963.83	-	963.83	-	963.83
Total (B)	-	-	963.83	-	963.83	-	963.83
Less: Allowance for impairment (C)	-	-	(5.92)	-	(5.92)	-	(5.92)
Total Net (A-C)	-	-	957.91	-	957.91	-	957.91

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

Note:

- During earlier years and during the year ended March 31, 2021, the Company sold financial assets amounting to Rs. 695.37 million (net of losses) and Rs. Nil (net of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs.501.84 million and Rs. Nil respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. Edelweiss Financial Services Limited (EFSL), the holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL), a fellow subsidiary, had undertaken substantially all risks and rewards amounting to Rs.417.00 million and Rs. Nil million respectively for earlier years and for the year ended March 31, 2021 in respect of such financial assets. As a result, these Security Receipts are recognised under Other Financial Assets in Company's financial statements.

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

During the year ended March 31, 2021, the Company re-assessed probability of default, loss given default in respect of these financial assets in the light of various factors viz. operational challenges for exposures to certain sectors, increase in credit and market risks for certain counter parties relative to such risks at initial recognition, continued impact of COVID – 19 factors. Such re-assessments resulted in recognition of loss on fair value changes for the year ended March 31, 2021. Accordingly, as substantially all risks and rewards on these financial assets are undertaken by EFSL, such loss on fair value changes of Rs. 45.60 million for the year ended March 31, 2021 have been recorded in the financial statements of EFSL, Holding Company. Accordingly, profit / loss before tax of the Company for the year ended March 31, 2021 is lower / higher by Rs. 45.60 million.



13 Investments (continued)

- 2 Pursuant to amendments in risk and rewards agreement (as mentioned in note 1 above) between the Company, ERCSL and EFSL, with effect from January 1, 2021, fees payable on these security receipts (ARC Fees) has been agreed to be borne by EFSL, as substantially all risks and rewards are undertaken by EFSL. Accordingly, an amount of Rs. 8.00 million towards such expenses has been recorded by EFSL. Accordingly, profit before tax of the Company for the year ended March 31, 2021 is lower by Rs. 8.00 million.
- 3 The Company had initiated sale of certain credit impaired financial assets before March 31, 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2021, amounted to Rs. 178.90 million to asset reconstruction companies trusts (ARC Trust). As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, on account of subsequent sale to and recovery from ARC Trusts of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to Rs. 152.00 million. As at March 31, 2021, there are no impact on the financial statements of the Company other than expected credit loss recorded in the Profit and Loss Statement for the year ended March 31, 2021 amounting to Rs. 18.20 million.
- 4 The Company had initiated sale of certain financial assets before March 31, 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2021, amounted to Rs. 678.60 million to AIF trusts. As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, management assessed that such loans sold by the Company after March 31, 2021 had an increased risk but were not credit impaired. As at March 31, 2021, there are no impact on the financial statements of the Company, as the Company has not incurred any loss on sale of these financial assets.

13.1 Investments

	As at March 31, 2021			As at March 31, 2020		
	Face value	Quantity	Amount	Face value	Quantity	Amount
Security receipts						
EARC Trust SC 373	722.37	2,25,250	162.71	864.10	2,25,250	194.64
EARC TRUST SC 385	895.72	2,76,590	247.75	1000.00	2,76,590	276.59
Omkara Security Receipt	921.51	3,23,000	297.65	-	-	-
			708.11			471.23
Units of AIF						
Real Estate Credit Opportunities Fund II	10,000.00	22,400	224.00	-	-	-
LICHFL Housing & Infrastructure Fund	100.00	2,58,000	25.80	-	-	-
			249.80			-



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

	As at March 31, 2021	As at March 31, 2020
14 Other financial assets (unsecured, considered good)		
Security Deposits	56.69	55.52
Advances to others	538.69	103.16
Deposits- others	0.09	0.09
Margin placed with broker	70.10	-
	665.57	158.77
15 Current tax assets (net) Advance income taxes (net of provision for tax Rs. 176.42 million, previous year Rs. 323.73 million)	151.43	164.03
	151.43	164.03
16 Deferred tax assets (net)		
Deferred tax assets		
<u>Loans</u>		
Provision for expected credit loss	149.92	124.03
Unamortised processing fees - EIR on lending	6.54	7.05
Provision of loss on sale of loan portfolio to ARC	-	-
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	9.97	7.39
<u>Employee benefit obligations</u>		
Provision for compensated absences	0.18	0.06
Disallowances under section 43B of the Income Tax Act, 1961	9.57	0.28
Lease liability	27.91	35.06
Others	20.17	0.04
	224.26	173.91
Deferred tax liabilities		
<u>Investments and other financial instruments</u>		
Unamortised loan origination costs - EIR on lending	7.60	11.70
Recognition of Interest Strip on assignment deals	13.74	3.68
Accrued Interest on Stage 3 receivables	0.24	0.24
<u>Borrowings</u>		
Effective interest rate on financial liabilities	14.35	20.67
Right-of-use Asset (ROU)	25.69	29.17
	61.62	65.46
	162.64	108.45

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



17 Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 01, 2020	Charge for the year	As at March 31, 2021
Property, Plant and Equipment							
Land*	0.37	-	-	0.37	-	-	0.37
Leasehold improvements	21.40	-	12.84	8.56	10.62	3.33	2.79
Furniture and Fixtures	9.43	0.05	5.40	4.08	4.44	1.07	1.72
Vehicles	3.46	-	3.46	-	2.31	0.07	-
Office equipment	20.49	-	12.94	7.55	14.34	2.03	1.36
Computers	26.02	0.11	2.35	23.78	20.47	2.26	3.09
Right-of-use Asset (ROU)	165.85	89.26	74.44	180.67	49.95	28.57	102.15
Total	247.02	89.42	111.43	225.01	102.13	37.33	113.53

18 Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 01, 2020	Charge for the year	As at March 31, 2021
Other Intangible Assets							
Software	15.78	-	-	15.78	7.82	3.96	4.00
Total	15.78	-	-	15.78	7.82	3.96	4.00

Notes:

* Charged against secured redeemable non-convertible debentures



Edelweiss Retail Finance Limited

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

(Currency : Indian rupees in millions)

17 Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block				Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	As at April 01, 2019	Transition impact of Ind AS 116	Charge for the year	As at March 31, 2020
Property, Plant and Equipment								
Land*	0.37	-	-	-	-	-	-	0.37
Leasehold improvements	28.48	-	-	7.08	7.95	-	5.32	10.62
Furniture and Fixtures	8.61	-	1.93	1.11	2.70	-	2.24	4.44
Vehicles	3.46	-	-	-	1.80	-	0.51	2.31
Office equipment	19.92	-	3.52	2.95	9.70	-	6.62	14.34
Computers	27.46	-	0.43	1.87	16.61	-	5.41	20.47
Right-of-use Asset (ROU)**	-	164.44	1.41	-	-	-	49.95	49.95
Total	88.30	164.44	7.29	13.01	38.76	-	70.05	102.13

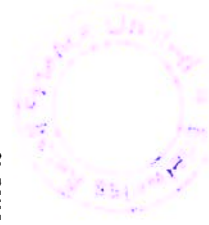
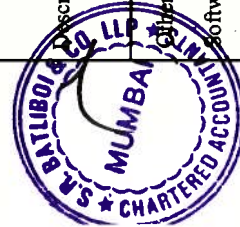
18 Other Intangible Assets (Previous Year)

Description of Assets	Gross Block				Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	As at April 01, 2019	Transition impact of Ind AS 116	Charge for the year	As at March 31, 2020
Other Intangible Assets								
Software	8.82	-	6.96	-	3.86	-	3.96	7.82
Total	8.82	-	6.96	-	3.86	-	3.96	7.82

Notes:

*Charged against secured redeemable non-convertible debentures

**Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs.164.44 million and a lease liability of Rs.183.10 million with a corresponding deferred tax asset/liability of Rs.6.50 million. The cumulative effect of applying the standard thus resulted in Rs.12.14 million being debited to retained earnings as at April 1, 2019, net of taxes.



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

	As at March 31, 2021	As at March 31, 2020
19 Other non-financial assets		
Input tax credit (Goods and Services Tax)	61.08	53.34
Prepaid expenses	28.81	0.14
Advances to vendors	4.59	0.33
Advances to employees	0.39	0.05
	<u>94.87</u>	<u>53.86</u>
20 Trade Payables		
Trade payables to non-related parties	103.44	66.33
Trade payables to related parties - (Refer note 45)	8.00	2.36
	<u>111.44</u>	<u>68.69</u>
Notes:		
(i) Total outstanding dues to creditors other than micro enterprises and small enterprises	111.44	68.69
(ii) Total outstanding dues of micro enterprises and small enterprises	-	-
21 Debt securities (In India) (At amortised cost)		
Non-convertible redeemable debentures (Secured)		
Privately placed non-convertible debentures	1,166.27	1,153.24
Publicly placed non-convertible debentures	1,757.54	3,785.82
	<u>2,923.81</u>	<u>4,939.06</u>

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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

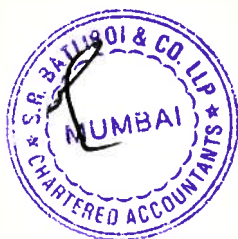
(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
22 Borrowings other than debt securities (In India) (At amortised cost)		
Term Loan (secured)		
- From Banks	3,012.33	5,686.19
- From Financial Institution (SIDBI)	840.13	1,381.66
Note: For disclosure relating to repayment and other terms, refer note 51	3,852.46	7,067.85
Bank overdraft (Secured) [Secured by charge on receivables from financing business] Bank overdraft is in nature of committed Cash Credit lines repayable on demand (Interest rate range, March-21: 8.30% - 10.85%, March-20: 8.80% - 11.00%)	490.27	281.27
Loan from related parties (Unsecured) (Repayable on demand, Interest rate range 11.39% - 13.05% for March-21, 9.50% for March-20)	9.87	-
Working capital demand loan [Secured by charge on receivables from financing business] Bank overdraft is in nature of committed Cash Credit lines repayable on demand (Interest rate range, March-21: 8.30% - 8.90%, March-20: 8.80% - 9.65%)	150.00	150.00
	650.14	431.27
	4,502.60	7,499.12
23 Subordinated liabilities (In India) (At amortised cost)		
Non-convertible subordinated debentures	1,660.46	1,630.18
Non-convertible perpetual debentures	458.58	458.88
Note: For disclosure relating to repayment and other terms, refer note 53 & 54	2,119.04	2,089.06
24 Other financial liabilities		
Debenture application money received pending allotment	0.11	0.11
Payable to employees	30.74	1.78
Lease liabilities (Ind AS 116)	110.87	139.32
Payable on account of securitisation/ assignments	328.13	487.90
	469.85	629.11



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

	As at March 31, 2021	As at March 31, 2020
25 Current tax liabilities (net)		
Provision for taxation (net of advance tax Rs. 363.67 million, previous year Rs. 171.94 million)	95.34	23.80
	<u>95.34</u>	<u>23.80</u>
26 Provisions		
Provision for employee benefits (refer note 42)		
Gratuity	8.01	1.10
Compensated leave absences	0.73	0.23
	<u>8.74</u>	<u>1.33</u>
27 Other non-financial liabilities		
Revenue received in advance	0.01	0.01
Payable to others	43.36	6.65
Payable to related party (refer note 45)	3.12	2.63
Statutory dues payable	8.26	1.36
	<u>54.75</u>	<u>10.65</u>



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

As at March 31, 2021

As at March 31, 2020

28 Equity share capital
Authorised :

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

500.00

500.00

500.00
500.00
Issued, Subscribed and Paid up:

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

429.50

429.50

429.50
429.50
(a) Movement in share capital :

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	4,29,50,000	429.50	4,29,50,000	429.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>4,29,50,000</u>	<u>429.50</u>	<u>4,29,50,000</u>	<u>429.50</u>

(b) Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

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

	As at March 31, 2021		As at March 31, 2020	
	No of shares	%	No of shares	%
Edelcap Securities Limited (Holding company)	3,02,58,333	70.45%	3,02,58,333	70.45%
Edelweiss Financial Services Limited (Ultimate holding company)	96,91,667	22.57%	96,91,667	22.57%
Edel Finance Company Limited (Fellow subsidiary)	30,00,000	6.98%	30,00,000	6.98%
	<u>4,29,50,000</u>	<u>100.00%</u>	<u>4,29,50,000</u>	<u>100.00%</u>

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


	As at March 31, 2021	As at March 31, 2020
29 Other Equity		
Capital reserve	8.18	8.18
Securities premium	3,112.08	3,112.08
Statutory reserve	315.86	262.14
Debenture redemption reserve	67.84	337.14
Deemed capital contribution - Equity	5.94	5.94
Retained earnings	959.86	475.41
	<u>4,469.76</u>	<u>4,200.89</u>

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

29.1 Nature and purpose of Reserves

(a) Capital reserve

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

(b) Securities Premium

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

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

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

(d) Debenture Redemption Reserve

The Company being an NBFC is required to create and maintain debenture redemption reserve (DRR) equivalent to 25% of the public issue of debentures, as required by Companies Act, 2013. The amounts credited to the DRR may not be utilised except on redemption of such debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the recent amendment to the Companies Act 2013, NBFCs are no longer required to create and maintain DRR. Accordingly, the Company has not created incremental DRR on existing public issue of debentures, post the said amendment, though the Company continues to maintain the DRR created earlier till the maturity of these debentures.

(e) Deemed capital contribution - Equity

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

(f) Retained Earnings

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



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

	For the year ended March 31, 2021	For the year ended March 31, 2020
30 Interest Income (at amortised cost)		
Interest on Loans	2,091.44	2,293.05
Interest on deposits with bank	24.86	182.27
Other interest income	0.00	10.10
Other interest income on direct assignment	66.69	-
	<u>2,182.99</u>	<u>2,485.42</u>
31 Fee and commission income		
Fee and commission income	54.64	221.03
	<u>54.64</u>	<u>221.03</u>
32 Net gain on fair value changes		
On trading portfolio		
Profit / (loss) on trading of securities (FVTPL)	18.51	34.24
Profit on sale of mutual fund units (FVTPL)	-	133.70
Profit & Loss on trading in Futures & Options (FVTPL)	(0.02)	0.18
On Others		
Gain on buy back of debt securities (at amortised cost)	0.17	-
Gain / (loss) on Security Receipts	(5.92)	-
	<u>12.74</u>	<u>168.12</u>
33 Other income		
Other non operating income	41.92	19.06
	<u>41.92</u>	<u>19.06</u>



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

	For the year ended March 31, 2021	For the year ended March 31, 2020
34 Finance costs (at amortised cost)		
Interest on borrowings	677.22	1,078.24
Interest on debt securities	453.40	450.03
Interest on subordinated liabilities	201.19	199.56
Other interest expense (including bank charges)	6.28	6.66
Interest on lease liabilities	11.05	12.90
	1,349.14	1,747.39

35 Impairment on financial instruments

Loss on sale of loan assets sold to assets reconstruction company	45.35	316.56
Bad- debts and advances written off	148.62	384.61
Provision for expected credit loss (at amortised cost) (including on loan commitments)	160.64	30.54
	354.61	731.71

	For the year ended March 31, 2021	For the year ended March 31, 2020
36 Employee benefit expenses		
Salaries and wages	110.71	53.82
Contribution to provident and other funds	2.95	2.95
Gratuity Expense (refer note 42)	2.27	0.45
Share based payments to employees (Refer note below)	3.12	2.40
Staff welfare expenses	3.03	1.86
	122.08	61.48

Note:

Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an Employee stock option plan (ESOP)/ Stock Appreciation Rights (ESAR) option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options /rights , Company has accepted such cross charge and recognised the same under the employee cost.



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

	For the year ended March 31, 2021	For the year ended March 31, 2020
37 Other expenses		
Advertisement and business promotion	68.60	0.57
Commission and brokerage	8.83	0.70
Communication	2.96	7.13
Directors' sitting fees	0.58	0.54
Legal and professional fees	105.65	46.39
Printing and stationery	0.86	2.47
Rent, Rates and taxes (net of recovery)	(57.03)	(81.26)
Repairs and maintenance	2.26	4.60
Computer expenses	7.97	15.35
Corporate social responsibility (refer note 37.2)	7.86	10.07
Rating support fees	0.11	0.14
Office expenses	43.18	43.21
Postage and courier	0.62	0.79
Goods & Service tax expenses	34.24	40.79
Stamp duty	1.33	0.97
Auditors' remuneration (refer note 37.1)	2.82	2.03
Travelling and conveyance	1.09	2.54
Miscellaneous expenses	23.15	19.21
Loan origination costs amortised	48.93	129.38
	304.01	245.62
37.1. Auditors' remuneration		
As an Auditor		
Statutory Audit	0.65	0.80
Limited Review	1.05	0.90
Certification	1.08	0.22
Towards reimbursement of expenses	0.04	0.11
	2.82	2.03
37.2. Details of CSR Expenditure:		
As per the provisions of Section 135 of Companies Act 2013		
Gross Amount required to be spent by the Company	7.86	10.07
Amount spent (paid in cash)		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	17.93	-
Amount to be spent (Yet to be paid in cash)		
Construction/ Acquisition of any assets	-	-
on purpose other than (i) above	-	10.07
	17.93	10.07



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

38 Income tax

38.1. The components of income tax expense:

	For the period ended March 31, 2021	For the period ended March 31, 2020
Current tax	137.87	54.77
Adjustment in respect of current income tax of prior years	(22.52)	(9.99)
Deferred tax relating to origination and reversal of temporary differences	(54.30)	(22.02)
Total tax charge	61.05	22.76
Current tax	115.35	44.78
Deferred tax	(54.30)	(22.02)

38.2 Reconciliation of total tax charge

	For the period ended March 31, 2021	For the period ended March 31, 2020
Accounting profit before tax as per financial statements	329.60	33.42
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	82.95	8.41
Adjustment in respect of current income tax of prior years	(22.52)	(9.99)
Effect of income not subject to tax:		
Deduction u/s 35D of Income tax Act, 1961	-	(0.17)
Others	-	-
Effect of non-deductible expenses:		
Others	0.62	0.35
Effect on deferred tax due to change in Income tax rate	-	24.17
Tax charge for the year recorded in P&L	61.05	22.76
Effective tax rate	18.52%	68.08%



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

38 Income tax
38.3. Movement of Deferred Tax assets / liabilities

	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
For the year ended March 31, 2021						
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	124.06	25.89	-	-	25.89	149.95
Retirement Benefits	0.34	9.53	(0.11)	-	9.42	9.76
Difference between book and tax WDV (including intangibles)	7.38	2.59	-	-	2.59	9.97
Lease liability	35.06	(7.16)	-	-	(7.16)	27.90
Others	0.04	20.14	-	-	20.14	20.18
Deferred Tax Liabilities						
Effective interest rate on financial assets	(4.68)	3.59	-	-	3.59	(1.09)
Stage 3 Income recognition	(0.24)	-	-	-	-	(0.24)
Interest spread on assignment transactions	(3.67)	(10.06)	-	-	(10.06)	(13.73)
Effective interest rate on financial Liabilities	(20.67)	6.32	-	-	6.32	(14.35)
Right-of-use Asset (ROU)	(29.17)	3.46	-	-	3.46	(25.71)
Total	108.45	54.30	(0.11)	-	54.19	162.64
For the year ended March 31, 2020						
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	161.54	(37.48)	-	-	(37.48)	124.06
Retirement Benefits	0.96	(0.67)	0.05	-	(0.62)	0.34
Difference between book and tax WDV (including intangibles)	5.38	2.00	-	-	2.00	7.38
Lease liability	-	(28.92)	-	63.98	35.06	35.06
Others	(0.00)	0.04	-	-	0.04	0.04
Deferred Tax Liabilities						
Effective interest rate on financial assets	(28.59)	23.91	-	-	23.91	(4.68)
Stage 3 Income recognition	(7.93)	7.69	-	-	7.69	(0.24)
Interest spread on assignment transactions	(14.16)	10.49	-	-	10.49	(3.67)
Effective interest rate on financial Liabilities	(37.33)	16.66	-	-	16.66	(20.67)
Right-of-use Asset (ROU)	-	28.29	-	(57.46)	(29.17)	(29.17)
Total	79.87	22.01	0.05	6.52	28.58	108.45

Note:

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying Income tax at reduced rates. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax assets/ liabilities basis the rate prescribed in the aforesaid section resulting in tax additional charge by Rs. 24.17 million for the year ended March 31, 2020.



39 Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at March 31, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	4,939.06	(2,044.82)	-	29.57	2,923.81
Borrowings other than Debt Securities	7,499.12	(3,002.67)	-	6.15	4,502.60
Subordinated Liabilities	2,089.06	0.01	-	29.97	2,119.04
	14,527.24	(5,047.48)	-	65.69	9,545.45

Particulars	As at April 01, 2019	Cash Flows	Changes in Fair value	Others*	As at March 31, 2020
Debt Securities	4,909.92	0.01	-	29.13	4,939.06
Borrowings other than Debt Securities	12,461.50	(4,932.01)	-	(30.37)	7,499.12
Subordinated Liabilities	2,060.80	-	-	28.26	2,089.06
	19,432.22	(4,932.00)	-	27.02	14,527.24

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



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

(Currency : Indian rupees in millions)

40. Earnings per Share

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to Equity holders of the Company - A	268.55	10.66
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	42.95	42.95
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	42.95	42.95
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	42.95	42.95
Nominal value of equity shares	10.00	10.00
Basic and diluted earnings per share (in rupees) (A/B)	6.26	0.25

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

41. Contingent Liability & Commitment:**(a) Contingent Liability**

	As at March 31, 2021	As at March 31, 2020
Taxation matters	Nil	Nil
Litigation pending against the company	Nil	Nil

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

(b) Commitment:

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account	9.82	0.90
Loan sanctioned pending disbursements	59.38	155.16
AIF Fund pending commitments	174.20	-



42. Retirement and other employee benefits

(a) Defined contribution plan - Provident funds

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

The Company recognised as of March 31, 2021 Rs. 4.69 millions (March 31, 2020 : Rs 2.58 millions) for provident fund in the Statement of profit and loss.

(b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligations (A)	8.01	1.09
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	8.01	1.09
Net deficit / (assets) are analysed as:		
Liabilities	8.01	1.09
Assets	-	-

Movement in net defined benefit (asset) liability:

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

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(i) Present value of defined benefit obligations (opening)	1.09	2.06	-	-	1.09	2.06
Current service cost	1.87	0.33	-	-	1.87	0.33
Past service cost	-	-	-	-	-	-
Interest cost	0.40	0.12	-	-	0.40	0.12
	3.36	2.51	-	-	3.36	2.51
(ii) Other comprehensive Income						
Remeasurement Actuarial loss (gain) arising from :						
Experience	(0.24)	0.08	-	-	(0.24)	0.08
Financial assumptions	0.23	0.07	-	-	0.23	0.07
Expected return from plan assets	(0.42)	0.05	-	-	(0.42)	0.05
	(0.43)	0.20	-	-	(0.43)	0.20
(iii) Others						
Transfer In/ (Out)	6.19	(0.30)	-	-	6.19	(0.30)
Contributions by Employer	-	-	-	-	-	-
Benefits paid	(1.11)	(1.31)	-	-	(1.11)	(1.31)
	5.08	(1.62)	-	-	5.08	(1.62)
(iv) Closing Balance (i) + (ii) + (iii)	8.01	1.09	-	-	8.01	1.09
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					8.01	1.09



42. Retirement and other employee benefits

Components of defined benefit plan cost:

	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Recognised in Statement of profit or loss		
Current service cost	1.87	0.33
Interest cost	0.40	0.12
Expected return on plan assets	-	-
Past service cost	-	-
	<u>2.27</u>	<u>0.45</u>
(ii) Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	(0.43)	0.20
Return on plan assets excluding net interest	-	-
	<u>(0.43)</u>	<u>0.20</u>
Total (i) + (ii)	1.84	0.65

Actuarial assumptions:

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

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

Sensitivity analysis:

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.38	(0.36)	0.06	(0.06)
Discount Rate (+/- 1%)	(0.36)	0.39	(0.06)	0.06
Withdrawal Rate (+/- 1%)	(0.03)	0.03	(0.01)	0.01
Mortality (increase in expected lifetime by 1 year)		0.00	Negligible change	
Mortality (increase in expected lifetime by 3 year)		0.00	Negligible change	

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

Asset liability comparisons:

	As at March 31, 2021	As at March 31, 2020
Present value of DBO	8.01	1.09
Fair Value of Plan assets	-	-
Net (Assets)/Liability	8.01	1.09

(c) **Compensated absences :**

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



43. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for contractual maturity analysis.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	704.40	-	704.40	2,681.42	-	2,681.42
Bank balances other than cash and cash equivalents	277.19	-	277.19	302.12	-	302.12
Stock in trade	59.48	-	59.48	142.02	-	142.02
Trade receivables	19.63	-	19.63	12.47	-	12.47
Loans	5,767.72	6,156.19	11,923.91	8,134.69	7,509.30	15,643.99
Investments	-	957.91	957.91	-	471.23	471.23
Other financial assets	457.00	208.57	665.57	103.25	55.52	158.77
Non-financial assets						
Current tax assets (net)	150.73	0.70	151.43	-	164.03	164.03
Deferred tax assets (net)	-	162.64	162.64	-	108.45	108.45
Property, Plant and Equipment	-	111.48	111.48	-	144.89	144.89
Intangible assets under development	-	52.32	52.32	-	0.00	0.00
Other Intangible assets	-	4.00	4.00	-	7.96	7.96
Other non-financial assets	33.78	61.08	94.87	0.52	53.34	53.86
Total Assets	7,469.93	7,714.89	15,184.83	11,376.49	8,514.72	19,891.21
Financial Liabilities						
Trade payables	111.44	-	111.44	68.69	-	68.69
Debt securities	183.01	2,740.80	2,923.81	2,116.76	2,822.30	4,939.06
Borrowings (other than debt securities)	3,093.43	1,409.17	4,502.60	3,864.97	3,634.15	7,499.12
Subordinated Liabilities	73.69	2,045.35	2,119.04	74.12	2,014.94	2,089.06
Other financial liabilities	387.60	82.25	469.85	512.11	117.00	629.11
Non-financial liabilities						
Current tax liabilities (net)	95.34	-	95.34	23.80	-	23.80
Provisions	8.74	-	8.74	1.33	-	1.33
Other non-financial liabilities	54.75	-	54.75	10.65	-	10.65
Total Liabilities	4,008.00	6,277.57	10,285.57	6,672.43	8,588.39	15,260.82
Net	3,461.93	1,437.32	4,899.25	4,704.05	(73.67)	4,630.39



Edelweiss Retail Finance Limited

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

(Currency : Indian rupees in millions)

44. Segment reporting

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

45. Related Party Disclosures

(i) List of related parties and relationship:

Name of related parties by whom control is exercised	Edelcap Securities Limited - Holding Company Edelweiss Financial Services Limited- Ultimate holding Company
Fellow Subsidiaries (with whom transactions have taken place)	ECap Equities Limited ECL Finance Limited Edel Finance Company Limited Edel Investments Limited Edel Land Limited EdelGive Foundation Edelweiss Asset Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss General Insurance Company Limited Edelweiss Housing Finance Limited Edelweiss Insurance Brokers Limited Edelweiss Rural & Corporate Services Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Investment Advisors Limited (Up to March 26, 2021) Edelweiss Broking Limited (Up to March 26, 2021) Edelweiss Securities Limited (Up to March 26, 2021) Edelweiss Finance & Investments Limited (Up to March 26, 2021) Edelweiss Custodial Services Limited (Up to March 26, 2021)

Fellow Associates (From March 26, 2021)

Edelweiss Investment Advisors Limited
Edelweiss Broking Limited
Edelweiss Securities Limited
Edelweiss Finance & Investments Limited
Edelweiss Custodial Services Limited

Key Management Personnel

Mr. Krishnaswamy Siddharth (upto May 14, 2020)	Non Executive Director
Ms. Shilpa Gattani (wef February 6, 2020)	Non Executive Director
Mr. Shrikant Subbarayan (upto Aug 12, 2020)	Non Executive Director
Ms. Shalinee Mimani (upto Sep 15, 2019)	Non Executive Director
Mr. Phanindranath Kakarla (wef Sep 15, 2020)	Non Executive Director
Mr. Deepak Mundra (wef Sep 15, 2020)	Non Executive Director
Mr. Sanjay Shah (upto Jan 13, 2020)	Independent Director
Mr. Mitul Shah (upto Feb 19, 2021)	Independent Director
Mr. Sunil Phatarphekar (wef Apr 12, 2020)	Independent Director
Mr. Vineet Mahajan (Dec 14, 2018 to Mar 15, 2020)	Chief Executive Officer
Mr. Mehernosh Tata (wef Jul 3, 2020)	Chief Executive Officer
Ms. Kirti Sawant (Mar 5, 2019 to Jan 28, 2020)	Chief Financial Officer
Mr. Shailendra Dhupiya (wef Jul 3, 2020)	Chief Financial Officer
Ms. Sudipta Majumdar (upto Aug 22, 2019)	Company Secretary
Mr. Amit Pandey (wef Aug 24, 2019)	Company Secretary

(ii) Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Account Transactions during the year:			
Loans taken from	<i>Maximum transaction during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	531.30
	ECL Finance Limited	1,000.00	-
	Edelweiss Housing Finance Limited	4,000.00	-
	Ecap Equities Limited	1,400.00	-
	<i>Volume of transactions during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	3,124.72
	ECL Finance Limited	1,000.00	-
	Edelweiss Housing Finance Limited	20,830.00	-
	Ecap Equities Limited	2,400.00	-



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

45. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Loans repaid to	<i>Maximum transaction during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	695.60
	ECL Finance Limited	1,000.00	-
	Edelweiss Housing Finance Limited	4,000.00	-
	Ecap Equities Limited	1,400.00	-
	<i>Volume of transactions during the year</i>		
	Edelweiss Rural & Corporate Services Limited	-	3,125.24
	ECL Finance Limited	1,000.00	-
	Edelweiss Housing Finance Limited	20,830.00	-
	Ecap Equities Limited	2,400.00	-
Short term loans given to	<i>Maximum transaction during the year</i>		
	Edelweiss Housing Finance Limited	-	2,000.00
	ECL Finance Limited	1,500.00	1,190.00
	Edelweiss Rural & Corporate Services Limited	250.00	2,150.00
	Ecap Equities Limited	2,200.00	-
	Edelcap Securities Limited	2,410.00	-
	<i>Volume of transactions during the year</i>		
	Edelweiss Housing Finance Limited	-	5,748.00
	ECL Finance Limited	2,035.00	5,640.00
	Edelweiss Rural & Corporate Services Limited	250.00	2,150.00
	Ecap Equities Limited	4,397.70	-
	Edelcap Securities Limited	2,610.00	-
Short term loans repaid by	<i>Maximum transaction during the year</i>		
	Edelweiss Housing Finance Limited	13.00	1,190.00
	ECL Finance Limited	35.00	1,350.00
	Edelweiss Rural & Corporate Services Limited	2,400.00	-
	Ecap Equities Limited	2,410.00	-
	Edelcap Securities Limited	1,370.20	-
	<i>Volume of transactions during the year</i>		
	Edelweiss Housing Finance Limited	13.00	5,735.00
	ECL Finance Limited	70.00	5,605.00
	Edelweiss Rural & Corporate Services Limited	2,400.00	-
	Ecap Equities Limited	4,397.70	-
	Edelcap Securities Limited	2,610.00	-
Loan portfolio purchase under direct assignment	ECL Finance Limited	1,784.69	-
Loan portfolio sold under direct assignment	Edelweiss Housing Finance Limited	1,769.67	-
Securities Purchase	Edelweiss Rural & Corporate Services Limited	0.08	141.55
	ECL Finance Limited	36.77	-
Bonds sold to	ECL Finance Limited	102.02	2,323.50
	Ecap Equities Limited	132.78	-
Redemption of Non convertible debenture held by (Face Value)	Edelweiss Housing Finance Limited	250.00	-
Loan sale to ARC	Edelweiss Asset Reconstruction Company Limited	5.99	590.40
Investment in Security Receipt issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 373	-	225.25
	EARC Trust SC 385	-	276.59
Non convertible debentures (Loans) purchased from	ECL Finance Limited	-	3,999.43
Margin placed	Edelweiss Custodial Services Limited	71.35	1,840.93
	Edelweiss Securities Limited	0.36	3.12
Margin withdrawn	Edelweiss Custodial Services Limited	70.65	1,841.17
	Edelweiss Securities Limited	0.00	3.12



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency :Indian rupees in millions)

45. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount paid to broker for Cash segment	Edelweiss Securities Limited	563.78	729.24
Amount Received from broker for Cash segment	Edelweiss Securities Limited	658.10	702.25
Income			
Shared premises cost received from	ECL Finance Limited	46.60	62.13
	Edelweiss Housing Finance Limited	23.97	20.01
	Edelweiss General Insurance Company Limited	-	0.02
	Edelweiss Asset Reconstruction Company Limited	0.37	0.54
	Edelweiss Financial Services Limited	0.14	0.12
	Edelweiss Broking Limited	0.18	0.96
	Edelweiss Asset Management Limited	0.09	0.11
Interest income on loan to	Edelweiss Housing Finance Limited	0.28	112.07
	ECL Finance Limited	4.31	56.93
	Edelweiss Rural & Corporate Services Limited	134.99	6.13
	ECap Equities Limited	57.92	-
	Edelcap Securities Limited	86.00	-
Interest income on margin	Edelweiss Custodial Services Limited	-	10.09
Arranger Fee received from	Edel Finance Company Limited	-	106.68
Interest Income on Non convertible Debentures	ECL Finance Limited	22.70	2.84
	Edelweiss Housing Finance Limited	0.24	-
Service charges received	Edelweiss Housing Finance Limited	0.66	-
Management Fees received from	Edelweiss Financial Services Limited	8.05	-
Expenses			
Shared premises cost paid	Edelweiss Securities Limited	0.01	0.28
	ECap Equities Limited	2.42	1.02
	Edelweiss Rural & Corporate Services Limited	1.56	1.54
	Edelweiss Custodial Services Limited	0.01	0.08
Cost reimbursement paid to	Edelweiss Financial Services Limited	9.22	1.89
	Edelweiss Rural & Corporate Services Limited	19.30	2.02
	ECap Equities Limited	0.07	0.00
	Edelweiss Securities Limited	0.08	0.05
	ECL Finance Limited	0.28	0.31
	Edelweiss General Insurance Company Limited	0.02	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	21.39	7.31
Interest paid on loan from	Edelweiss Rural & Corporate Services Limited	-	1.26
	Edelweiss Housing Finance Limited	32.91	-
	ECL Finance Limited	1.87	-
	ECap Equities Limited	2.50	-
Interest paid on Non convertible debentures	Edelweiss Rural & Corporate Services Limited	1.64	2.71
	Edelweiss Finance & Investments Limited	0.01	0.00
	Edel Finance Company Limited	6.95	6.39
	ECL Finance Limited	3.17	1.02
	Edelweiss Housing Finance Limited	10.85	-
	Edelweiss Tokio Life Insurance Company Limited	3.70	-
Interest Expenses on Sub-debt	Edelweiss Tokio Life Insurance Company Limited	27.32	24.56
Brokerage paid	Edelweiss Securities Limited	0.00	1.30
Clearing charges	Edelweiss Custodial Services Limited	0.00	2.63
Enterprise Service charge paid to	Edelweiss Rural & Corporate Services Limited	-	0.24
	Edelweiss Financial Services Limited	-	0.02



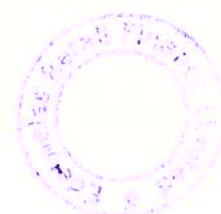
Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

45. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Advisory fees paid to	Edelweiss Housing Finance Limited	9.00	-
Guarantee fee paid	Edel Land Limited	0.00	-
Service Fee paid to	Edelweiss Housing Finance Limited	0.02	0.03
	ECL Finance Limited	1.31	-
Risk & Reward Fees on Security Receipt sale paid	Edelweiss Rural & Corporate Services Limited	2.32	-
	Edelweiss Financial Services Limited	0.81	-
CSR Expenses Paid to	EdelGive Foundation	17.93	-
ESOP cost reimbursement	Edelweiss Financial Services Limited	3.12	0.26
Rating support fees paid to	Edelweiss Financial Services Limited	0.04	0.14
	Edelweiss Rural & Corporate Services Limited	0.08	-
Director Sitting fees	Mr. Mitul Shah	0.32	0.28
	Mr. Sanjay Shah	-	0.26
	Mr. Sunil Phatarphekar	0.26	-
Remuneration paid to	Mr. Vineet Mahajan	-	9.21
	Ms. Kirti Sawant	-	2.90
	Ms. Sudipta Majumdar	-	0.45
	Mr. Amit Pandey	0.85	0.29
	Mr. Mehernosh Tata	8.62	-
	Mr. Shailendra Dhupiya	2.84	-
Sale of Property, Plant and Equipment	ECL Finance Limited	0.03	0.18
	Edelweiss Broking Limited	0.16	0.03
	Edelweiss Custodial Services Limited	0.04	0.00
	Edelweiss General Insurance Company Limited	-	0.02
	Edelweiss Housing Finance Limited	0.01	0.05
	Edelweiss Insurance Brokers Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	0.02	0.04
	Edelweiss Securities Limited	0.02	0.03
	Edel Investments Limited	0.03	-
	Edelweiss Finance & Investments Limited	0.00	-
Purchase of Capital work in progress (software)	ECL Finance Limited	24.28	-
Purchase of Property, plant and equipment	Edelweiss Rural & Corporate Services Limited	0.01	0.02
	Edelweiss Securities Limited	-	0.00
	ECL Finance Limited	0.02	0.04
	Edelweiss Broking Limited	0.00	-
	Edelweiss Finance & Investments Limited	0.01	-

Nature of Transaction	Related Party Name	As at March 31, 2021	As at March 31, 2020
Balances with related parties:			
Short term borrowing from	Edelweiss Rural & Corporate Services Limited	-	0.00
Interest accrued on short term borrowing	Edelweiss Housing Finance Limited	8.14	-
	ECL Finance Limited	1.73	-
Short Term loan given to	Edelweiss Housing Finance Limited	-	13.00
	ECL Finance Limited	2,000.00	35.00
	Edelweiss Rural & Corporate Services Limited	-	2,150.00



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency :Indian rupees in millions)

45. Related Party Disclosures

Nature of Transaction	Related Party Name	As at March 31, 2021	As at March 31, 2020
Interest accrued on short term loan given to	Edelweiss Housing Finance Limited	-	0.11
	ECL Finance Limited	3.29	13.51
	Edelweiss Rural & Corporate Services Limited	-	5.52
	ECap Equities Limited	3.37	-
	Edelcap Securities Limited	4.48	-
Non convertible debentures (at face value) held by	Edelweiss Rural & Corporate Services Limited	17.92	17.99
	Edelweiss Finance & Investments Limited	0.50	0.05
	ECL Finance Limited	17.44	29.07
Subordinated debenture (Face Value) held by	Edelweiss Tokio Life Insurance Company Limited	140.00	140.00
Perpetual debenture (Face Value) held by	Edel Finance Company Limited	71.00	71.00
Perpetual debentures (at face value) held in	ECL Finance Limited	-	210.00
Non convertible debentures (Face Value) held in	ECL Finance Limited	47.40	-
	Edelweiss Housing Finance Limited	7.60	-
Interest accrued on Non convertible debentures	Edelweiss Rural & Corporate Services Limited	-	0.04
	ECL Finance Limited	-	0.11
	Edelweiss Finance & Investments Limited	-	0.00
Interest accrued on Perpetual debentures held by	Edel Finance Company Limited	1.82	1.83
Interest accrued on Subordinated debentures held by	Edelweiss Tokio Life Insurance Company Limited	124.88	97.56
Interest accrued on Non convertible debentures held by	Edelweiss Rural & Corporate Services Limited	0.04	-
	ECL Finance Limited	0.07	-
	Edelweiss Finance & Investments Limited	0.00	-
Interest accrued on Perpetual debentures held in	ECL Finance Limited	-	19.35
Interest accrued on Non convertible debentures held in	ECL Finance Limited	1.61	-
	Edelweiss Housing Finance Limited	0.52	-
Trade Payables	Edelweiss Housing Finance Limited	0.63	0.17
	Edelweiss Financial Services Limited	1.03	0.27
	Edelweiss Rural & Corporate Services Limited	4.40	0.32
	ECL Finance Limited	0.75	0.77
	Edelweiss Securities Limited	0.02	0.51
	Edelweiss Broking Limited	0.03	0.02
	Ecap Equities Limited	0.40	0.12
	Edelweiss Custodial Services Limited	0.73	0.01
	Edel Land Limited	0.00	-
Other payable	Edelweiss Financial Services Limited	3.12	2.40
Trade Receivables	ECL Finance Limited	8.39	7.30
	Edelweiss Broking Limited	0.00	0.14
	Edelweiss Rural & Corporate Services Limited	0.70	0.27
	Edelweiss Housing Finance Limited	1.87	2.15
	Edelweiss Financial Services Limited	8.90	0.01
	Edelweiss Finance & Investments Limited	-	0.01
	Edelweiss Asset Reconstruction Company Limited	-	0.24
	Edelweiss General Insurance Company Limited	-	0.02
	Edelweiss Asset Management Limited	-	0.02
	Edelweiss Custodial Services Limited	-	1.01
Other receivable	Edelweiss Rural & Corporate Services Limited	-	74.40



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

45. Related Party Disclosures

Nature of Transaction	Related Party Name	As at	As at
		March 31, 2021	March 31, 2020
Margin receivable	Edelweiss Custodial Services Limited	0.47	-
	Edelweiss Securities Limited	70.10	-
Margin payable	Edelweiss Custodial Services Limited	-	0.24
Investment in Security Receipts issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 373	162.71	194.64
	EARC Trust SC 385	247.75	276.59
Corporate Guarantee taken from	Edel Land Limited	34.22	-
Risk & Rewards sharing arrangement	Edelweiss Financial Services Limited	648.97	-
	Edelweiss Rural & Corporate Services Limited	-	417.04

Notes:

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



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

(Currency : Indian rupees in millions)

46. Leases**46.1. Transition to Ind AS 116 on Lease**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all long-term lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability and the right of use assets at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application.

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance as at April 1	115.90	164.44
Addition	89.26	1.41
Lease pre-closure	(74.44)	-
Amortisation for the year	(28.57)	(49.95)
Balance as at March 31	102.15	115.90

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

Balance as at April 1	139.32	183.10
Additions/ reversal (net)	89.26	(9.23)
Interest on lease liabilities	11.05	12.90
Lease pre-closure	(92.92)	-
Repayment of lease obligation	(35.83)	(47.45)
Balance as at March 31	110.88	139.32

46.4. Amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	28.57	49.95
Interest expense on lease liabilities	11.05	12.90
Reversal of lease pre-closure	(18.48)	-
Total	21.14	62.85

46.5. Total cash outflow for leases:

Cash outflow of long term leases	31.69	47.45
Cash outflow of short term leases	0.27	1.71
Total	31.96	49.16

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

	As at March 31, 2021	As at March 31, 2020
Less than 1 year	35.37	47.01
1-3 years	52.94	77.94
3-5 years	42.98	20.14
More than 5 years	2.36	10.67
Total	133.65	155.76

47. Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 36 and 37 include reimbursements (received)/ paid and are net of reimbursements paid/(received). Based on the management's best estimate Rs. (38.39) millions is received during the year (Previous year Rs. (76.70) millions).



48. Risk Management

(a) Introduction and risk profile

The Company's overall objective is to manage its business, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company follows following for effective risk management:

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

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

(b) Risk Management Structure

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

Company's risk management policy ensures that the margin requirements are able to withstand market volatility and scenarios of sharply declining prices. The Company centralises the risk monitoring systems to monitor its client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c) Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Company's key business processes are regularly monitored by the business and/or operation heads. Company's loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

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

It is the Company's policy to ensure that risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to, that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within its risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

(d) Types of Risks

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

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



48.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and trade receivables. The Company has a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

(a) Impairment Assessment:

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

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

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

*Days past due

(b) Expected Credit Loss

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

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

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



48.1. Credit Risk

(c) **Significant increase in credit risk (SICR)**

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

(d) **Probability of Default**

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

(e) **Loss Given Default (LGD)**

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

(f) **Exposure at Default (EAD)**

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

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

Where,

$$\text{Drawn Credit Line} = \text{Current outstanding amount}$$

$$\text{Credit Conversion Factor (CCF)} = \text{Expected future drawdown as a proportion of undrawn amount}$$

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

(g) **Forward looking adjustments**

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

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

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. The Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.



48.1. Credit Risk

(h) **Data sourcing**

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

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

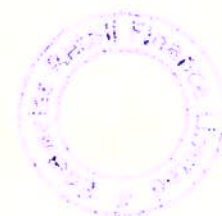
To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, considering the impact of a scenario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

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

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

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

The COVID-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. The Indian Government too has imposed lockdowns starting from March 24, 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic , including the current "second wave" on Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continues to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

48.1. Credit Risk
48.1.1. Analysis of risk concentration

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

Industry analysis

As at March 31, 2021	Financial services	Retail	Construction	Wholesale	Total
Financial assets					
Cash and cash equivalent and other bank balances	981.59	-	-	-	981.59
Securities held for trading	59.48	-	-	-	59.48
Trade receivables	19.63	-	-	-	19.63
Loans	2,445.91	6,152.83	131.21	3,193.96	11,923.91
Investments	-	708.11	-	249.80	957.91
Other financial assets	595.47	70.10	-	-	665.57
	4,102.08	6,931.04	131.21	3,443.76	14,608.09
Loan Commitments	-	59.38	-	-	59.38
Total	4,102.08	6,990.42	131.21	3,443.76	14,667.47
As at March 31, 2020	Financial services	Retail	Construction	Wholesale	Total
Financial assets					
Cash and cash equivalent and other bank balances	2,983.54	-	-	-	2,983.54
Securities held for trading	142.02	-	-	-	142.02
Trade receivables	12.47	-	-	-	12.47
Loans	2,217.07	8,425.35	338.54	4,663.03	15,643.99
Investments	-	471.23	-	-	471.23
Other non financial assets	158.77	-	-	-	158.77
	5,513.87	8,896.58	338.54	4,663.03	19,412.02
Loan Commitments	-	-	155.16	-	155.16
Total	5,513.87	8,896.58	493.70	4,663.03	19,567.18



48.1. Credit Risk

48.1.2. Collateral held and other credit enhancements

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

	Maximum exposure to credit risk (carrying amount before ECL)		Principal type of collateral
	As at March 31, 2021	As at March 31, 2020	
Financial assets			
Loans (at amortised cost)			
(i) Retail loans	5,307.40	7,932.69	Property; book receivables
(ii) Wholesale loans	2,920.76	2,809.43	Property; book receivables
Total (A)	8,228.16	10,742.12	
Loan commitments	45.23	155.16	Property; book receivables
Total (B)	45.23	155.16	
Total (A + B)	8,273.39	10,897.28	

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

As at March 31, 2021

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans (at amortised cost)				
(i) Retail loans	503.46	94.98	408.48	754.22
(ii) Wholesale loans	1,057.71	184.82	872.89	1,074.13
Total (A)	1,561.17	279.80	1,281.37	1,828.35
Loan commitments	-	-	-	-
Total (B)	-	-	-	-
Total (A + B)	1,561.17	279.80	1,281.37	1,828.35

As at March 31, 2020

Financial assets				
Loans (at amortised cost)				
(i) Retail loans	282.33	62.66	219.67	368.71
(ii) Wholesale loans	99.05	12.54	86.51	130.00
Total (A)	381.38	75.20	306.18	498.71
Loan commitments	-	-	-	-
Total (B)	-	-	-	-
Total (A + B)	381.38	75.20	306.18	498.71



48.1. Credit Risk

48.1.3. Overview of modified and forborne loans

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amortised costs of financial assets modified during the year	1,219.23	73.68
Net modification gain / (loss)	38.90	3.21

48.1.4. Allowance for expected credit loss on securitisation portfolio is Nil as at March 31, 2021 (Previous year Rs. 0.11 millions).

48.1.5. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

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

	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets (held as Collateral)	86.73	583.48
Carrying amount of associated liabilities	-	449.55
Fair value of assets	83.64	574.06
Fair value of associated liabilities	-	449.55
Net position at FV	83.64	124.52



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

48.2. Liquidity Risk

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

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

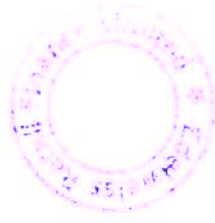
48.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities

As at March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	554.08	-	-	253.85	173.66	-	-	-	-	-	981.59
Securities held for trading	-	-	-	-	59.48	-	-	-	-	-	59.48
Trade receivables	-	-	-	19.62	-	-	-	-	-	-	19.62
Loans	-	335.54	52.11	1,343.16	478.56	1,311.35	3,210.61	4,346.49	1,269.56	3,784.46	16,131.84
Investments	-	-	-	-	-	-	-	-	-	957.91	957.91
Other financial assets	-	-	430.04	26.83	-	0.13	-	56.54	152.02	-	665.56
Total undiscounted financial assets	554.08	335.54	482.15	1,643.46	711.70	1,311.48	3,210.61	4,403.03	1,421.58	4,742.37	18,816.00
B. Financial Liabilities											
Trade payables	-	-	-	111.44	-	-	-	-	-	-	111.44
Debt securities	-	4.81	-	4.65	4.81	146.15	215.32	2,207.58	162.95	959.33	3,705.60
Borrowings (other than debt securities)	-	-	164.06	50.63	567.82	812.80	1,770.25	1,481.43	-	-	4,846.99
Subordinated financial liabilities	-	-	-	-	-	22.20	148.94	342.28	758.07	2,237.80	3,509.29
Other financial liabilities	-	-	361.30	2.38	2.38	7.14	14.40	57.16	25.16	-	469.92
Total undiscounted financial liabilities	-	4.81	525.36	169.10	575.01	988.29	2,148.91	4,088.45	946.18	3,197.13	12,643.24
Net financial assets / (liabilities)	554.08	330.73	(43.21)	1,474.36	136.69	323.19	1,061.70	314.58	475.40	1,545.24	6,172.76

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2021 is Rs. 209.70 million.

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

Undrawn loan commitments	-	-	-	-	59.38	-	-	-	-	-	59.38
Total	-	-	-	-	59.38	-	-	-	-	-	59.38



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

48.2. Liquidity Risk

As at March 31, 2020

A. Financial Assets

Cash and cash equivalent and other bank balances

Securities held for trading

Trade receivables

Loans

Investments

Other financial assets

On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
681.18	1,750.17	-	22.57	250.07	279.55	-	-	-	-	2,983.54
-	-	-	-	142.02	-	-	-	-	-	142.02
-	-	-	12.47	-	-	-	-	-	-	12.47
-	394.74	52.33	375.79	589.51	3,347.15	4,846.44	4,813.42	2,191.57	5,957.79	22,568.74
-	-	-	-	-	-	-	-	-	471.23	471.23
-	-	-	-	-	74.40	28.85	55.52	-	-	158.77
681.18	2,144.91	52.33	410.83	981.60	3,701.10	4,875.29	4,868.94	2,191.57	6,429.02	26,336.77

Total undiscounted financial assets

B. Financial Liabilities

Trade payables

Debt securities

Borrowings (other than debt securities)

Subordinated financial liabilities

Other financial liabilities

-	-	-	68.69	-	-	-	-	-	-	68.69
-	5.98	-	5.79	5.98	128.98	2,431.04	2,503.34	162.28	1,137.68	6,381.07
-	-	189.80	77.19	837.06	1,082.78	2,227.75	3,962.00	-	-	8,376.58
-	-	-	-	-	22.26	149.34	342.10	342.94	2,727.34	3,583.98
-	37.64	43.29	62.76	79.10	153.21	136.11	117.00	-	-	629.11

Total undiscounted financial liabilities

Net financial assets / (liabilities)

-	43.62	233.09	214.43	922.14	1,387.23	4,944.24	6,924.44	505.22	3,865.02	19,039.43
681.18	2,101.29	(180.76)	196.40	59.46	2,313.87	(68.95)	(2,055.50)	1,686.35	2,564.00	7,297.34

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

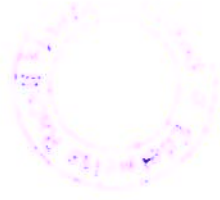
The table below shows the expected maturity of the Company's loan commitments

Undrawn loan commitments

-	-	-	-	155.16	-	-	-	-	-	155.16
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Total

-	-	-	-	155.16	-	-	-	-	-	155.16
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48.2. Liquidity Risk

48.2.3. Financial assets available to support future funding

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

As at March 31, 2021	Encumbered Pledge as collateral	Contractually/ legally restricted assets	Unencumbered Available as collateral	others	Total carrying amount
Cash and cash equivalent including bank balance	-	23.39	958.20	-	981.59
Securities held for trading	-	-	59.48	-	59.48
Trade receivables	-	-	19.63	-	19.63
Loans	7,900.49	1,018.59	3,004.83	-	11,923.91
Investments	-	714.03	243.88	-	957.91
Property, Plant and Equipment	0.37	-	-	-	0.37
Other financial assets	-	152.90	512.67	-	665.57
Total assets	7,900.86	1,908.92	4,798.69	-	14,608.46

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



48.3. Market Risk

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk – Non trading portfolios

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

48.3.1 Total market risk exposure

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

Particulars	As at March 31, 2021			As at March 31, 2020			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Financial Assets							
Cash and cash equivalent and other bank balances	981.59	-	981.59	2,983.54	-	2,983.54	Interest rate
Securities held for trading	59.48	59.48	-	142.02	142.02	-	Interest rate
Loans	11,923.91	-	11,923.91	15,643.99	-	15,643.99	Interest rate
Investments	957.91	-	957.91	471.23	-	471.23	Interest rate
Trade receivables	19.63	-	19.63	12.47	-	12.47	
Other financial assets	665.57	-	665.57	158.77	-	158.77	
Total	14,608.09	59.48	14,548.61	19,412.02	142.02	19,270.00	
Financial Liability							
Debt securities	2,923.81	-	2,923.81	4,939.06	-	4,939.06	Interest rate
Borrowings (other than Debt Securities)	4,502.60	-	4,502.60	7,499.12	-	7,499.12	Interest rate
Subordinated Liabilities	2,119.04	-	2,119.04	2,089.06	-	2,089.06	Interest rate
Trade payables	111.44	-	111.44	68.69	-	68.69	
Other liabilities	469.85	-	469.85	629.11	-	629.11	
Total	10,126.74	-	10,126.74	15,225.04	-	15,225.04	



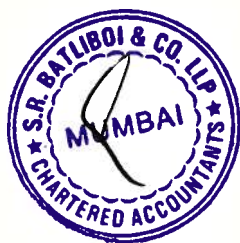
48.3. Market Risk

48.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held as at year end.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

For the year ended	Increase/ (Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax	Increase in Equity	(Decrease) in Equity
INR Loans					
March 31, 2021	25/(25)	9.00	(9.00)	9.00	(9.00)
March 31, 2020	25/(25)	13.49	(13.49)	13.49	(13.49)
INR Borrowings					
March 31, 2021	25/(25)	(8.41)	8.41	(8.41)	8.41
March 31, 2020	25/(25)	(14.03)	14.03	(14.03)	14.03



49.1. Fair Value measurement:

A. Valuation principles

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

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

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

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

Refer note 3.11 for more details on fair value hierarchy

B. Valuation governance framework

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

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

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

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

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial Assets held for trading				
Other debt securities	59.48	-	-	59.48
Total financial instruments measured at fair value - A	59.48	-	-	59.48
Other financial assets				
Security receipts	-	-	708.11	708.11
Total financial instruments measured at fair value - B	-	-	708.11	708.11
Other financial assets				
Units of AIF	-	-	249.80	249.80
Total financial instruments measured at fair value - C	-	-	249.80	249.80
Total (A+B+C)	59.48	-	957.91	1,017.39
As at March 31, 2020	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial Assets held for trading				
Other debt securities	142.02	-	-	142.02
Total financial instruments measured at fair value - A	142.02	-	-	142.02
Other financial assets				
Security receipts	-	-	471.23	471.23
Total financial instruments measured at fair value - B	-	-	471.23	471.23
Other financial assets				
Units of AIF	-	-	-	-
Total financial instruments measured at fair value - C	-	-	-	-
Total (A+B+C)	142.02	-	471.23	613.25



49.1. Fair Value measurement:

D. Valuation techniques:

Debt securities

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

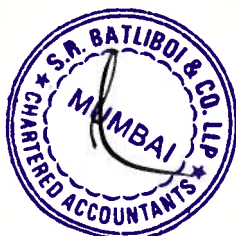
Security receipts

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

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

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

Financial year ended March 2021	Security receipts	Units of AIF	Total
Investments - at April 1, 2020	471.23	-	471.23
Purchase	323.00	249.80	572.80
Sale/Redemption proceeds	(80.20)	-	(80.20)
Profit for the year recognised in profit or loss	(5.92)	-	(5.92)
Investments - at March 31, 2021	708.11	249.80	957.91
Unrealised gain/(Loss) related to balances held at the end of the year	(5.92)	-	(5.92)
Financial year ended March 2020	Security receipts	Units of AIF	Total
Investments - at April 1, 2019	-	-	-
Purchase	501.84	-	501.84
Sale/Redemption proceeds	(30.61)	-	(30.61)
Profit for the year recognised in profit or loss	-	-	-
Investments - at March 31, 2020	471.23	-	471.23
Unrealised gain/(Loss) related to balances held at the end of the year	-	-	-



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

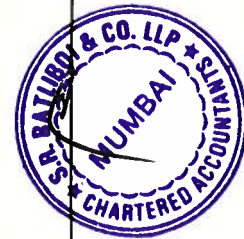
49.1. Fair Value measurement:

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

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

Type of Financial Instruments	Fair value of asset as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	708.11	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	949.72	5% increase in Expected future Cash flow	37.87	5% Decrease in Expected future Cash flow	(37.87)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(3.17)	0.5% Decrease in Risk-adjusted discount rate	3.26
Units of AIF	249.80	Net Asset approach	Fair value of underlying investments	249.80	5% Increase in Fair value of Underlying Investment	12.49	5% Increase in Fair value of Underlying Investment	(12.49)

Type of Financial Instruments	Fair value of asset as on 31 March 2020	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	471.23	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	694.11	5% increase in Expected future Cash flow	29.75	5% Decrease in Expected future Cash flow	(29.75)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(2.09)	0.5% Decrease in Risk-adjusted discount rate	2.11



49.2. Financial instruments not measured at fair value

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

As on March 31, 2021	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets					
Loans	11,923.91	11,512.39	-	-	11,512.39
Total	11,923.91	11,512.39	-	-	11,512.39
Financial liabilities					
Debt securities	2,923.81	3,226.45	-	3,226.45	-
Subordinated liabilities	2,119.04	2,153.64	-	2,153.64	-
Total	5,042.85	5,380.09	-	5,380.09	-
As on March 31, 2020					
Financial assets:					
Loans	15,643.99	15,987.45	-	-	15,987.45
Total	15,643.99	15,987.45	-	-	15,987.45
Financial liabilities					
Debt securities	4,939.06	5,274.18	-	5,274.18	-
Subordinated liabilities	2,089.06	2,125.16	-	2,125.16	-
Total	7,028.12	7,399.33	-	7,399.33	-

Valuation methodologies of financial instruments not measured at fair value

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

Short term financial assets and liabilities

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



49.2. Financial instruments not measured at fair value

Financial assets at amortised cost

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

Issued debt

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

Financial liabilities at amortised cost

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



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

(Currency : Indian rupees in millions)

50. Trade receivables**Provision matrix for Trade receivables**

Particulars	Trade receivables days past due	1-90days	91-180 days	181-360 days	more than 360 days	Total
ECL rate		3.21%	14.63%	0.00%	100.00%	
As at	Estimated total gross carrying amount at default	19.92	0.41	-	0.14	20.47
March 31, 2021	ECL - Simplified approach	(0.64)	(0.06)	-	(0.14)	(0.84)
	Net carrying amount	19.28	0.35	-	-	19.63
As at	Estimated total gross carrying amount at default	10.78	1.35	0.48	-	12.61
March 31, 2020	ECL - Simplified approach	(0.03)	(0.02)	(0.09)	-	(0.14)
	Net carrying amount	10.75	1.33	0.39	-	12.47



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2021 (Continued)

(Currency : Indian rupees in millions)

51. Details of the loan taken from Banks and other parties
Nature of Security and terms of repayment for secured borrowings

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

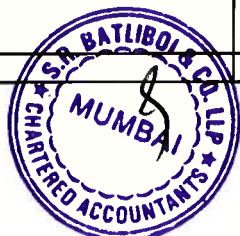
(a) Details of term loan taken from Banks (excluding of Interest accrued on Term loans and EIR impact)

As at March 31 2021

Month of Maturity/Repayment	Rate of Interest		Grand Total
	<= 10%	>10%	
March-2023	97.88	-	97.88
December-2022	154.02	62.49	216.51
September-2022	287.50	62.50	350.00
July-2022	-	31.25	31.25
June-2022	287.50	62.50	350.00
May-2022	18.75	-	18.75
April-2022	17.86	31.25	49.11
March-2022	287.50	93.75	381.25
February-2022	18.75	-	18.75
January-2022	17.86	31.25	49.11
December-2021	287.50	93.75	381.25
November-2021	18.75	-	18.75
October-2021	17.86	31.25	49.11
September-2021	287.50	93.75	381.25
August-2021	18.75	-	18.75
July-2021	17.86	31.25	49.11
June-2021	390.87	93.75	484.62
May-2021	18.75	-	18.75
April-2021	17.86	31.25	49.11
Total	2,263.31	749.99	3,013.30

As at March 31 2020

Month of Maturity/Repayment	Rate of Interest		Grand Total
	<= 10%	>10%	
December-22	140.63	62.49	203.11
September-22	287.50	62.50	350.00
July-22	-	31.25	31.25
June-22	287.50	62.50	350.00
May-22	18.75	-	18.75
April-22	17.86	31.25	49.11
March-22	287.50	93.75	381.25
February-22	18.75	-	18.75
January-22	17.86	31.25	49.11
December-21	287.50	93.75	381.25
November-21	18.75	-	18.75
October-21	17.86	31.25	49.11
September-21	287.50	93.75	381.25
August-21	18.75	-	18.75
July-21	17.86	31.25	49.11
June-21	287.50	93.75	381.25
May-21	18.75	-	18.75
April-21	17.86	31.25	49.11
March-21	439.28	93.75	533.03
February-21	18.75	-	18.75
January-21	17.86	31.25	49.11
December-20	529.80	93.75	623.55
November-20	18.75	-	18.75
October-20	17.86	31.25	49.11
September-20	634.40	93.75	728.15
August-20	18.75	-	18.75
July-20	17.86	31.25	49.11
June-20	634.40	93.75	728.15
May-20	18.75	-	18.75
April-20	17.86	31.25	49.11
Total	4,432.97	1,249.99	5,682.96



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

(Currency : Indian rupees in millions)

51. Details of the loan taken from Banks and other parties**Nature of Security and terms of repayment for secured borrowings**

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

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

As at March 31 2021

Month of Maturity/Repayment	Rate of Interest	
	10.00% to 10.99%	Grand Total
March-23	52.50	52.50
December-22	52.50	52.50
September-22	52.50	52.50
June-22	52.50	52.50
April-22	89.00	89.00
March-22	52.50	52.50
January-22	83.00	83.00
December-21	52.50	52.50
October-21	83.00	83.00
September-21	52.50	52.50
July-21	83.00	83.00
June-21	52.50	52.50
April-21	83.00	83.00
Total	841.00	841.00

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

As at March 31 2020

Month of Maturity/Repayment	Rate of Interest	
	10.00% to 10.99%	Grand Total
Mar-2023	52.50	52.50
Dec-2022	52.50	52.50
Sep-2022	52.50	52.50
Jun-2022	52.50	52.50
Apr-2022	89.00	89.00
Mar-2022	52.50	52.50
Jan-2022	83.00	83.00
Dec-2021	52.50	52.50
Oct-2021	83.00	83.00
Sep-2021	52.50	52.50
Jul-2021	83.00	83.00
Jun-2021	52.50	52.50
Apr-2021	83.00	83.00
Mar-2021	52.50	52.50
Jan-2021	83.00	83.00
Dec-2020	52.50	52.50
Oct-2020	83.00	83.00
Sep-2020	52.50	52.50
Jul-2020	83.00	83.00
Jun-2020	52.50	52.50
Apr-2020	83.00	83.00
Total	1,383.00	1,383.00



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

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

As at March 31 2021

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount*
ERFL/Public NCD/Series VI	9.25%	22-Mar-2018	22-Mar-2028	4,83,173	483.17
ERFL/Public NCD/Series V	8.88%	22-Mar-2018	22-Mar-2028	4,09,205	409.21
ERFL/Public NCD/Series IV	9.00%	22-Mar-2018	22-Mar-2023	6,38,802	638.80
ERFL/Public NCD/Series III	8.65%	22-Mar-2018	22-Mar-2023	2,33,785	233.79
ERFL/NCD/07Nov22	8.50%	07-Nov-2017	07-Nov-2022	1,000	1,000.00
ERFL/NCD/ 29Jul21	0.00%	03-Aug-2018	29-Jul-2021	100	100.00
					<u>2,864.97</u>

As at March 31 2020

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

*Excluding of Interest accrued on Term loans and EIR impact

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

As at March 31 2021

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

As at March 31 2020

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

*Excluding of Interest accrued on Term loans and EIR impact

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

As at March 31 2021

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

As at March 31 2020

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

*Excluding of Interest accrued on Term loans and EIR impact



55. Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

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

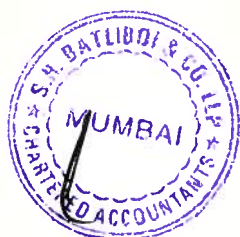
- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain investment grade ratings for all its liabilities issuances domestically and internationally by ensuring that the financial strength of their balance sheets are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

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

(b) Regulatory Capital

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

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Funds		
Common Equity Tier1 (CET1) capital	3,181.02	2,906.41
Other Tier 2 capital instruments (CET2)	1,566.91	1,421.71
Total capital	4,747.93	4,328.12
Risk weighted assets	11,915.15	14,733.08
CET1 Capital ratio	26.70%	19.73%
CET2 Capital ratio	13.15%	9.65%
Total Capital ratio	39.85%	29.38%



56. Regulatory Disclosures

(i) Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2021 (Previous year: Rs Nil).

(ii) Investments

Particulars		As at March 31, 2021	As at March 31, 2020
Value of Investments			
(i)	Gross value of Investments		
	(a) In India	963.83	471.23
	(b) Outside India	-	-
(ii)	Provisions for Depreciation		
	(a) In India	(5.92)	-
	(b) Outside India	-	-
(iii)	Net value of Investments		
	(a) In India	957.91	471.23
	(b) Outside India	-	-
Movement of provisions held towards depreciation on investments			
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	(5.92)	-
(iii)	Less: Write-off / Written-back of excess provisions during the year	-	-
(iv)	Closing balance	(5.92)	-

(iii) Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

S.No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the applicable NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps \$	Nil	Nil
(v)	The fair value of the swap book @	Nil	Nil
	Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.		
	\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
	@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the applicable NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.		



56. Regulatory Disclosures

(b) Exchange Traded Interest Rate (IR) Derivatives

S.No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	
a)		Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2021 (instrument-wise)	
a)		Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a)		Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
a)		Nil

(c) Qualitative Disclosures

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

(d) Quantitative Disclosures

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

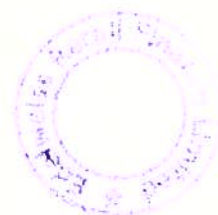
(iv) Asset liability management

Maturity pattern of certain items of assets and liabilities

As at March 31, 2021

Buckets	Deposits	Advances	Investments*	Borrowings	Foreign Currency Assets	Foreign Currency Assets
1 day to 7 days	-	275.19	-	-	-	-
8 day to 14 days	-	18.22	-	15.72	-	-
15 days to 30/31 days (One month)	-	142.87	-	133.60	-	-
Over 1 month upto 2 months	-	1,260.90	-	18.75	-	-
Over 2 months upto 3 months	-	406.80	59.48	537.12	-	-
Over 3 months upto 6 months	-	972.02	-	877.49	-	-
Over 6 months upto 1 year	-	2,861.59	-	1,767.46	-	-
Over 1 year upto 3 years	-	3,377.92	-	3,285.09	-	-
Over 3 years upto 5 years	-	664.30	-	207.85	-	-
Over 5 years	-	2,568.82	957.91	2,702.36	-	-
Total	-	12,548.63	1,017.39	9,545.44	-	-

*Includes securities held for trading



56. Regulatory Disclosures

Maturity pattern of certain items of assets and liabilities

As at March 31, 2020

Buckets	Deposits	Advances	Investments*	Borrowings	Foreign Currency Assets	Foreign Currency Assets
1 day to 7 days	-	375.73	-	-	-	-
8 day to 14 days	-	37.17	-	-	-	-
15 days to 30/31 days (One month)	-	72.80	-	204.28	-	-
Over 1 month upto 2 months	-	291.07	-	18.75	-	-
Over 2 months upto 3 months	-	420.68	142.02	780.65	-	-
Over 3 months upto 6 months	-	2,928.79	-	946.37	-	-
Over 6 months upto 1 year	-	4,228.73	-	4,105.83	-	-
Over 1 year upto 3 years	-	3,188.33	-	5,613.64	-	-
Over 3 years upto 5 years	-	1,109.40	-	-	-	-
Over 5 years	-	3,484.10	471.23	2,857.72	-	-
Total	-	16,136.80	613.25	14,527.24	-	-

*Includes securities held for trading

(v) Capital to risk assets ratio (CRAR)

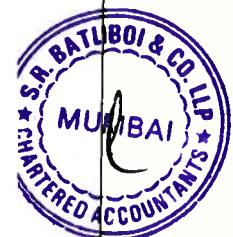
		As at March 31, 2021	As at March 31, 2020
i)	CRAR (%)	39.85%	29.38%
ii)	CRAR - Tier I capital (%)	26.70%	19.73%
iii)	CRAR - Tier II Capital (%)	13.15%	9.65%
iv)	Amount of subordinated debt raised as Tier-II capital	-	-
v)	Amount raised by issue of perpetual debt instruments	-	-

(vi) Direct assignment & Securitisation

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

		As at March 31, 2021	As at March 31, 2020
1	No. of SPVs sponsored by the NBFC for securitisation transactions	-	3
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	-	635.12
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	466.87
a)	Off-balance sheet exposures	-	-
	- First loss	-	158.66
	- Others	-	-
b)	On-balance sheet exposures	-	-
	- First loss	-	171.23
	- Others	-	136.98
4	Amount of exposures to assignment transactions other than MRR	-	-
a)	Off-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations	-	-
	- First loss	-	-
	- Others	-	-
b)	On-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations	-	-
	- First loss	-	-
	- Others	-	-

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



56. Regulatory Disclosures

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

		As at March 31, 2021	As at March 31, 2020
1	No. of SPVs sponsored by the NBFC for assignment transactions	8	4
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	2,124.24	554.87
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	258.31	61.80
a)	Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
b)	On-balance sheet exposures		
	- First loss	-	-
	- Others	258.31	61.80
4	Amount of exposures to assignment transactions other than MRR	-	-
a)	Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
b)	On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-

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

		For the year ended March 31, 2021	For the year ended March 31, 2020
i)	No. of accounts	171	51
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	197.03	812.28
iii)	Aggregate consideration	184.85	695.38
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / (loss) over net book value	(12.18)	(116.90)

(d) Details of Assignment transactions undertaken

		For the year ended March 31, 2021	For the year ended March 31, 2020
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

(e) Details of Securitization transactions undertaken

		For the year ended March 31, 2021	For the year ended March 31, 2020
i)	No. of accounts	-	2,045.00
ii)	Aggregate value (net of provisions) of accounts sold	-	1,712.29
iii)	Aggregate consideration	-	1,575.30
iv)	Additional consideration realized in respect	-	-
v)	Aggregate gain / loss over net book value	-	-



56. Regulatory Disclosures

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

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

A. Details of Non performing financial assets purchased:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
(a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

B. Details of Non performing financial assets Sold:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
No. of accounts sold	171	51
Aggregate outstanding	197.03	812.28
Aggregate consideration received	184.85	695.38

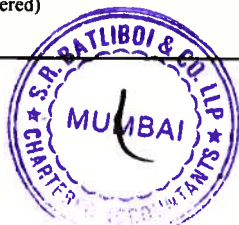
(vii) Exposure to real estate sector, both direct and indirect & exposure to capital market

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

	As at March 31, 2021	As at March 31, 2020
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	1,675.49	2,948.39
(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).	5,180.15	6,943.21
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
- Residential	-	-
- Commercial real estate	-	-
B. Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

b) Exposure to capital market

	As at March 31, 2021	As at March 31, 2020
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
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	882.83	977.23
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) bridge loans to companies against expected equity flows / issues	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	882.83	977.23



56. Regulatory Disclosures

(viii) Movements in non performing advances:

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

	As at March 31, 2021	As at March 31, 2020
i) Net NPAs to net advances (%)	10.44%	1.90%
ii) Movement of NPAs (Gross)		
a) Opening balance	381.38	598.40
b) Additions during the year	1,571.23	546.62
c) Reductions during the year	(391.44)	(763.64)
d) Closing balance	1,561.17	381.38
iii) Movement of net NPA		
a) Opening balance	306.19	512.10
b) Additions during the year	1,298.57	439.90
c) Reductions during the year	(323.40)	(645.81)
d) Closing balance	1,281.36	306.19
iv) Movement of provisions for NPAs (excluding provision on Stage I & II loans)		
a) Opening balance	75.20	86.30
b) Additions during the year	272.65	106.73
c) Reductions during the year	(68.04)	(117.83)
d) Closing balance	279.81	75.20

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

During the year ended March 31, 2021 and March 31, 2020, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

(x) Unsecured Advances

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

(xi) Fraud Reporting

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

(xii) Remuneration of Directors

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

Details of transaction with non executives directors

Name of Directors	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Mitul Shah	Sitting fees	0.32	0.28
Mr. Sunil Phatarphekar	Sitting fees	0.26	-
Mr. Sanjay Shah	Sitting fees	-	0.26

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

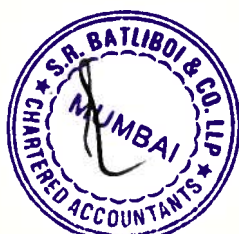
There are no prior items (previous year Rs. Nil) and there are no changes in accounting policies during the year, except as disclose note 46.1.

(xiv) Details of 'provisions and contingencies'

Break up of 'provisions and contingencies' shown under the head expenditure in statement of profit and loss.	For the year ended March 31, 2021	For the year ended March 31, 2020
i) Provisions for depreciation on investment	5.92	-
ii) Provision towards NPA (Stage III loans)	204.61	(11.11)
iii) Provision made towards income tax	115.35	44.78
iv) Provision for Standard loans (Stage I & II loans)	(72.69)	41.63

(xv) Draw down from Reserves

The Company has drawn Rs. 269.30 million (Previous Year Rs. Nil) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2021. Further, pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Non-Banking Finance Companies (including Housing Finance Companies) regulated by Reserve Bank of India.



56. Regulatory Disclosures

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

A) Concentration of Deposits (for deposit taking NBFCs)		
	As at March 31, 2021	As at March 31, 2020
Total Deposits to twenty largest depositors	NA	NA
% of Deposits of twenty largest depositors to total Deposit taking NBFC	NA	NA
B) Concentration of advances		
	As at March 31, 2021	As at March 31, 2020
Total advances to twenty largest borrowers	7,264.69	8,201.71
% of advances to twenty largest borrowers to total advances	57.89%	50.83%
C) Concentration of exposures (includes Off balance sheet exposure)		
Total exposures to twenty largest borrowers / customers	7,264.03	8,214.13
% of exposures to twenty largest borrowers / customers to total Exposure	57.96%	50.53%
D) Concentration of NPAs		
Total exposures to top four NPAs	1,199.29	281.03
E) Sector-wise NPAs		
	% of NPAs to total advances in that sector	
	As at March 31, 2021	As at March 31, 2020
1 Agriculture & allied activities	0.02%	0.00%
2 MSME	2.91%	1.19%
3 Corporate borrowers	0.17%	0.40%
4 Services	18.76%	0.82%
5 Unsecured personal loans	0.00%	0.00%
6 Auto loans	0.00%	0.00%
7 Other personal loans	13.18%	19.38%

(xvii) Customer complaints

	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	75	51
(c) No. of complaints redressed during the year	75	51
(d) No. of complaints pending at the end of the year	-	-



56. Regulatory Disclosures

(xviii) Details of ratings assigned by credit rating agencies

As at March 31, 2021

(a) Instrument category	CRISIL	ICRA	CARE	Brickworks	Brickworks	Acuite
i) Long term instruments	LT-NCD, LT - Sub Debt and BLR	LT-NCD, LT - Sub Debt and BLR	LT-NCD and LT - Sub Debt	LT-NCD	Perpetual Debt	LT-NCD, Perpetual Debt
Rating	CRISIL AA- /Negative	ICRA A+ /Negative	CARE A+ /Stable	BWR AA- /stable	BWR A+ /stable	ACUITE AA- /Negative
Amount	18,000.00	33,600.00	5,250.00	4,500.00	1,000.00	3,500.00
ii) Short term instruments	CPs-ST		CPs-ST			
Rating	CRISIL A1+	NA	CARE A1+	NA	NA	NA
Amount	5,000.00	NA	5,000.00	NA	NA	NA

(b) Following are the migration of ratings during the year:

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

(a) As at March 31, 2020

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

(b) Following are the migration of ratings during the year:

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



56. Regulatory Disclosures

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

Sl No	Type of Restructuring Asset Classification	Under CDR Mechanism				Under SME Debt Restructuring				Others				Total			
		Standard	Sub- standard	Doubtful	Loss	Standard	Sub- standard	Doubtful	Loss	Standard	Sub- standard	Doubtful	Loss	Standard	Sub- standard	Doubtful	Loss
1	Restructured accounts as on 1st April, 2020 (Opening figures) (refer note 1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year (refer note 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY 20-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2021 (Closing figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note :

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



56. Regulatory Disclosures

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

SI No	Type of Restructuring Asset Classification	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total	Total
1	Restructured accounts as on 1st April, 2019 (Opening figures) (refer note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	11.00	3.00	-	-	14.00	14.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	58.07	3.91	-	-	61.98	61.98
		Provision thereon	-	-	-	-	-	-	-	-	-	16.54	3.17	-	-	19.71	19.71
2	Fresh restructuring during the year (refer note 2)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	29.00	-	-	29.00	29.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	73.68	-	-	73.68	73.68
		Provision thereon	-	-	-	-	-	-	-	-	-	-	16.60	-	-	16.60	16.60
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	1.00	(1.00)	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	1.28	(1.28)	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	0.94	(0.94)	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of borrowers	-	-	-	-	-	-	-	-	-	1.00	3.00	-	-	4.00	4.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	3.22	30.37	-	-	33.59	33.59
		Provision thereon	-	-	-	-	-	-	-	-	-	3.27	(8.23)	-	-	(4.96)	(4.96)
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	(8.00)	8.00	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	(51.28)	51.28	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	(12.57)	12.57	-	-	-	-
6	Write-offs of restructured accounts during the FY 19-20	No. of borrowers	-	-	-	-	-	-	-	-	-	1.00	8.00	-	-	9.00	9.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	2.97	11.49	-	-	14.46	14.46
		Provision thereon	-	-	-	-	-	-	-	-	-	1.62	4.98	-	-	6.61	6.61
7	Restructured accounts as on 31st Mar. 2020 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	2.00	28.00	-	-	30.00	30.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	1.88	85.73	-	-	87.61	87.61
		Provision thereon	-	-	-	-	-	-	-	-	-	0.02	34.65	-	-	34.67	34.67

Note :

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



56. Regulatory Disclosures

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
No of accounts restructured	49	29
Amount (Indian rupees in millions)	47.76	73.68

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

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

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

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

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

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

Liabilities side:

Particulars	Amount outstanding		Amount overdue	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
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	2,923.81	4,939.06	-	-
(ii) Unsecured	2,119.04	2,089.06	-	-
b) Deferred credits	-	-	-	-
c) Term loans	3,852.46	7,067.85	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Loan from related parties	9.87	0.00	-	-
(ii) Bank overdraft	640.27	431.27	-	-
(* Please see note 1 below)				

Assets side:

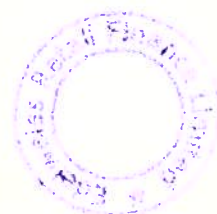
2) Break up of loans and advances including bills receivables (other than those included in (3) below)				
a) Secured	8,228.16	10,742.13	-	-
b) Unsecured	4,320.47	5,394.67	-	-
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities				
a) Lease assets including lease rentals under sundry debtors:				
(i) Financial lease	-	-	-	-
(ii) Operating lease	-	-	-	-
b) Stock on hire including hire charges under sundry debtors				
(i) Assets on hire	-	-	-	-
(ii) Repossessed assets	-	-	-	-
c) Other loans counting towards asset financing Company activities				
(i) Loans where assets have been repossessed	-	-	-	-
(ii) Other loans	-	-	-	-



56. Regulatory Disclosures

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

	As at March 31, 2021		As at March 31, 2020			
4) Break up of investments						
Current investments:						
a) Quoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others	-	-	-	-		
b) Unquoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others (pass through certificates)	-	-	-	-		
Long-term investments (net of provision)						
a) Quoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others	-	-	-	-		
b) Unquoted:						
(i) Shares: Equity	-	-	-	-		
Preference	-	-	-	-		
(ii) Debentures and bonds	-	-	-	-		
(iii) Units of mutual funds	-	-	-	-		
(iv) Government securities	-	-	-	-		
(v) Others : Pass through certificates	-	-	-	-		
Security receipts	708.11	471	-	-		
Units of Alternative Investments Fund (AIF)	249.80	-	-	-		
5) Borrower group-wise classification of assets financed as in (2) and (3) above						
Particulars	Secured		Amount net of provisions Unsecured		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1. Related parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	2,010.79	2,163.11	2,010.79	2,163.11
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	7,729.75	10,393.54	2,183.38	3,087.34	9,913.13	13,480.88
TOTAL	7,729.75	10,393.54	4,194.16	5,250.45	11,923.91	15,643.99
6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)						
Particulars	Market value/break up or fair value or NAV		Book value (net of provisions)			
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020		
1) Related parties						
(a) Subsidiaries	-	-	-	-		
(b) Companies in the same group	-	-	-	-		
(c) Other related parties	410.46	471.23	-	-		
2) Other than related parties	547.45	-	957.91	471.23		
TOTAL	957.91	471.23	957.91	471.23		



56. Regulatory Disclosures

7) Other information		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	1,561.17	381.38
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	1,281.36	306.19
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.

(xxvi) Disclosure on perpetual debt

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount of funds raised through Perpetual debt instrument during the year	-	-

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount outstanding as at year end.	450.00	450.00
Percentage of the amount of Perpetual debt of the amount of its Tier I Capital	12.71%	15.48%
Unpaid interest on Perpetual debt	-	-

(xxvii) There are no amount due and outstanding to be credited to investor education & protection Fund as at March 31, 2021 and at March 31, 2020

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



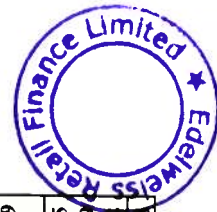
56. Regulatory Disclosures

(xxix) Prudential Floor for ECL

As at March 31, 2021

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2021 and March 31, 2020. Accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	1	2	3	4	5 = 3 - 4	6	Difference between Ind AS 109 provisions and IRACP norms 7 = 4 - 6
Performing Assets							
Standard		Stage 1	7,686.17	94.42	7,591.75	30.56	63.86
Subtotal		Stage 2	3,301.29	247.30	3,053.99	13.71	233.59
			10,987.46	341.72	10,645.74	44.27	297.45
Non-Performing Assets (NPA)							
Substandard		Stage 3	1,399.84	256.09	1,143.75	131.52	124.57
Doubtful - up to 1 year		Stage 3	142.45	21.37	121.08	23.98	(2.61)
1 to 3 years		Stage 3	6.55	1.39	5.16	1.09	0.30
More than 3 years		Stage 3	12.33	0.96	11.37	4.78	(3.82)
Subtotal for doubtful			161.33	23.72	137.61	29.85	(6.13)
Loss		Stage 3	-	-	-	-	-
Subtotal for NPA			1,561.17	279.81	1,281.36	161.37	118.44
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		Stage 1	17.00	0.49	16.51	-	0.49
		Stage 2	42.38	2.70	39.68	-	2.70
		Stage 3	-	-	-	-	-
Subtotal			59.38	3.19	56.19	-	3.19
Total		Stage 1	7,703.17	94.91	7,608.26	30.56	64.35
		Stage 2	3,343.67	250.00	3,093.67	13.71	236.29
		Stage 3	1,561.17	279.81	1,281.36	161.37	118.44
		Total	12,608.01	624.72	11,983.29	205.64	419.08



56. Regulatory Disclosures (Continued)

(xxix) Prudential Floor for ECL (Continued)

As at March 31, 2020

Asset Classification as per RBI Norms	1	2	3	4	5 = 3 - 4	6	Difference between Ind AS 109 provisions and IRACP norms 7 = 4 - 6
Performing Assets							
Standard		Stage 1	12,442.48	88.65	12,353.83	49.65	39.00
Subtotal		Stage 2	3,312.94	328.82	2,984.12	28.86	299.96
			15,755.42	417.47	15,337.95	78.51	338.96
Non-Performing Assets (NPA)							
Substandard		Stage 3	315.50	66.76	248.74	15.64	51.12
Doubtful - up to 1 year		Stage 3	28.32	3.78	24.54	5.46	(1.68)
1 to 3 years		Stage 3	37.56	4.66	32.90	8.71	(4.05)
More than 3 years		Stage 3	-	-	-	-	-
Subtotal for doubtful			65.88	8.44	57.44	14.17	(5.73)
Loss		Stage 3	-	-	-	-	-
Subtotal for NPA			381.38	75.20	306.18	29.81	45.39
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		Stage 1	155.16	0.13	155.03	-	0.13
		Stage 2	-	-	-	-	-
		Stage 3	-	-	-	-	-
Subtotal			155.16	0.13	155.03	-	0.13
Total		Stage 1	12,597.64	88.78	12,508.86	49.65	39.13
		Stage 2	3,312.94	328.82	2,984.12	28.86	299.96
		Stage 3	381.38	75.20	306.18	29.81	45.39
		Total	16,291.96	492.80	15,799.16	108.32	384.48



(xxx) Disclosure on liquidity risk

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

a) Funding Concentration based on significant counterparty (both deposits and borrowings)	As at March 31, 2021
Number of significant counterparties*	20
Amount of borrowings from significant counterparties	7,272.28
% of Total deposits	NA
% of Total liabilities**	70.70%

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

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

b) **Top 20 large deposits**

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

c) Top 10 Borrowings	As at March 31, 2021
Amount of Borrowings from top 10 lenders	5,683.82
% of Total Borrowings	59.54%

d) Funding Concentration based on significant instrument/product*		As at March 31, 2021	
		Amount	% of Total Liabilities**
Market Borrowings			
Non Convertible Debentures		2,923.81	28.43%
Perpetual and Sub-ordinated Debentures		2,119.04	20.60%
Other Borrowings			
Term Loans		3,862.33	37.55%
Cash Credit Lines		640.27	6.22%

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

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

e) Stock Ratios	As at March 31, 2021
Commercial papers as a % of total public funds*	0.00%
Commercial papers as a % of total liabilities	0.00%
Commercial papers as a % of total assets	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
Other short-term liabilities**, if any as a % of total public funds	6.71%
Other short-term liabilities**, if any as a % of total liabilities	6.22%
Other short-term liabilities**, if any as a % of total assets	4.22%

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

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



f) Institutional set-up for liquidity risk management

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

The Asset Liability Management Committee, inter alia

- Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any;
- Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;
- Develop risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and
- Ensure that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time.
- Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.
- the Company has ensured maintenance of a Liquidity Cushion in the form of Mutual Funds and liquid fixed deposits with banks, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A comfortable liquidity cushion is maintained of the borrowings. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern.
- There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.

57. Other Disclosures

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

Trade payables includes Rs. Nil (Previous year: Rs. Nil) payable to "suppliers" registered under the micro, small and medium enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year and previous year to "suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to advances in the nature of loans to subsidiaries	-	2,217.14
Loans to advances in the nature of loans to associates	-	-
Loans to advances in the nature of loans to firms/companies in which directors are interested	-	-
Investment by the lonee in the share of parents company and subsidiary company, when the company has made a loans & advances in the nature of loans	-	-



57. Other Disclosures

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

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

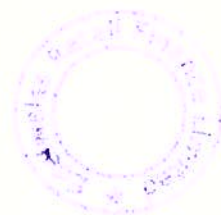
Sr. No.	Particulars	Details
1	Name of the company	EDELWEISS RETAIL FINANCE LIMITED
2	CIN	U67120MH1997PLC285490
3	Outstanding borrowing of company as on March 31, 2021	9,545.45
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	As per Table 1 below
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE LIMITED

Table 1

Product	Credit Rating	Name of Rating Agency
Bank Borrowings	CRISIL AA-/Negative	CRISIL
Bank Borrowings	[ICRA] A+/Negative	ICRA Limited
Commercial Papers	CRISIL A1+	CRISIL
Commercial Papers	CARE A1+	CARE Limited
Long Term Sub-Debt	CRISIL AA-/Negative	CRISIL
Long Term Sub-Debt	CRISIL AA-/Negative	CRISIL
Long Term Sub-Debt	[ICRA] A+/Negative	ICRA Limited
Long Term Sub-Debt	CARE A+/Stable	CARE Limited
Long Term NCD	CARE A+/Stable	CARE Limited
Long Term-NCD	CRISIL AA-/Negative	CRISIL
Long Term-NCD	BWR AA-/stable	Brickwork Ratings
Long Term NCD	BWR AA-/stable	Brickwork Ratings
Long Term NCD	CRISIL AA-/Negative	CRISIL
Long Term-NCD	[ICRA] A+/Negative	ICRA Limited
Long Term-NCD	[ICRA] A+/Negative	ICRA Limited
Long Term NCD	ACUITE AA/negative	ACUITE Ratings
Perpetual – Debt	BWR A+/stable	Brickwork Ratings
Perpetual – Debt	ACUITE AA-/negative	ACUITE Ratings

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

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



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

The company has extended moratorium/ deferment of term loan installments falling due in moratorium period to its eligible customers who have opted for moratorium under RBI circular on 'COVID-19 – Regulatory Package' dated March 27, 2020 and 'COVID19 Regulatory Package - Asset Classification and Provisioning' dated April 17, 2020.

For the year ended March 31, 2021

(₹ in million)

(a) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (Outstanding amount as at March 31, 2021)	1,247.76
(b) Respective amount where asset classification benefits is extended (Outstanding amount as at March 31, 2021)	1,218.51
(c) Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	179.24
(d) Provisions adjusted against slippages in terms of paragraph 6 of the circular	111.94
(e) Residual provisions as on March 31, 2021 in terms of paragraph 6 of the circular	67.30

For the year ended March 31, 2020

(a) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (Outstanding amount as at March 31, 2020)	1,908.91
(b) Respective amount where asset classification benefits is extended (Outstanding amount as at March 31, 2020)	216.71
(c) Provisions made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC covered under IndAS)	39.25
(d) Provisions adjusted against slippages in terms of paragraph 6 of the circular	-
(e) Residual provisions as on March 31, 2020 in terms of paragraph 6 of the circular	39.25
(v) In accordance with the instructions in the RBI circular dated April 7, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest'. Accordingly, the Company has estimated Rs. 8.66 million and made provision for refund / adjustment.	

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

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	1	621.28	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1	621.28	-	-	-

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

58. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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

As per our report of even date attached.

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

per Shrawan Jalan
Partner
Membership No. 102102



Place : Mumbai
Date : June 10, 2021

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

Shilpa Gattani
Shilpa Gattani
Director
DIN: 05124763

MD Jata
Mehernosh Tata
Chief Executive Officer

Phanindranath Kakarla
Phanindranath Kakarla
Director
DIN: 02076676

Shailendra Dhupiya
Shailendra Dhupiya
Chief Financial Officer