

September 02, 2022

BSE Limited
P J Towers,
Dalal Street, Fort,
Mumbai – 400 001.

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Sub: Intimation under Regulation 50 (2) and Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Dear Sir/ Madam,

This is to inform you that the 25th Annual General Meeting (AGM) of the Company for FY 2021-22 will be held on Friday, September 16, 2022, at 03.30 P.M (IST) at Edelweiss House, off C.S.T. Road, Kalina, Mumbai - 400098.

Please find enclosed Annual Report of the Company for the Financial Year 2021-22 along with the Notice of the 25th AGM.

You are requested to take above on record.

Thanking you.

Yours faithfully,

For Edelweiss Retail Finance Limited

JIGNESH
MANHAR
GAGLANI

Digitally signed by
JIGNESH MANHAR
GAGLANI
DN: c=IN, o=Edelweiss Retail Finance Limited,
ou=Jignesh Gaglani, email=jgaglani@edelweissretailfin.com,
+05'30'

Jignesh Gaglani
Company Secretary

Edelweiss Retail Finance Limited

Corporate Identity Number: U67120MH1997PLC285490

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

<https://www.edelweissretailfin.com/>

NOTICE OF THE 25TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Edelweiss Retail Finance Limited ("the Company") will be held on Friday, September 16th, 2022 at 3.30pm (IST) at the at Edelweiss House, Off. CST Road, Kalina, Mumbai – 400098 to transact the following business: -

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board and the Auditors thereon.
2. To appoint a Director in place of Ms. Shilpa Gattani (DIN: 05124763), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint M/s. G. D. Apte & Co., Chartered Accountant as the Statutory Auditor of the Company to hold office for a period of 2 (Two) consecutive Financial Years from the conclusion of the 25th Annual General Meeting of the Company until the conclusion of the 27th Annual General Meeting of the Company and to authorize the Board of Directors (including Audit Committee of Board) of the Company to fix their remuneration.

To consider and, if thought fit, to pass, with or without modification/s, the following resolution as Ordinary Resolution:

"RESOLVED THAT further to the resolution passed by the members at their Extra Ordinary General Meeting held on November 3, 2021 and pursuant to the provisions of Sections 139 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the RBI notification RBI/2021-22/25, Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, and any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof), M/s. G. D. Apte & Co. (Firm Registration No. 100515W), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company, at such remuneration plus service tax, out-of-pocket, travelling expenses, etc. as may be mutually agreed upon by the Board of Directors (including Audit Committee of Board) and M/s. G.D. Apte & Co."

SPECIAL BUSINESS:

4. Issue of Non-Convertible Debentures

To consider and, if thought fit, to pass, with or without modification/(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time (the Act), the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time, the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time (the Rules), SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable SEBI Rules and Regulations, as amended from time to time and pursuant to the provisions of relevant Reserve Bank of India (RBI) Directions and further subject to the provisions of any other applicable statutes, Regulations, if any, including any statutory modification(s) or re-enactment thereof, and the provisions of the Memorandum & Articles of Association of the Company and subject to the approvals, consents, permissions, exemptions and /or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot secured, unsecured perpetual, Non-Convertible Debentures, Market Linked Debentures (“the Debentures”) including but not limited to Subordinate Debentures which may or may not be classified as being additional Tier I or Tier II capital under the provisions of the RBI Master Direction, on private placement basis, listed and/or unlisted, aggregating to Rs. 1000 crores (Rupees One Thousand Crores only), during a period of one year from October 1, 2022 to September 30, 2023, to the eligible investors, on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and wherever necessary, in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and/or any other agency(ies) which the Board may deem fit and appropriate, however at any given point of time the aggregate limit of funds raised/ to be raised by the Company, including issue of Debentures shall not exceed the overall borrowing limits of the Company as amended, from time to time.

RESOLVED FURTHER THAT subject to and in accordance with the provisions of the Act, the Board of Directors of the Company (which term includes any Committee constituted by the Board) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including

delegation of powers extended unto the Board herein, and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company.”

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

**Sd/-
Jignesh Gaglani
Company Secretary
Membership No: ACS 43583**

Place: Mumbai
Date: May 6, 2022

Registered Office:

Tower 3, Wing B, Kohinoor City Mall, Kohinoor
Kirol Road, Kurla (W), Mumbai - 400 070
CIN: U67120MH1997PLC285490

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Corporate Identity Number: U67120MH1997PLC285490

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Notes:

1. A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at its registered office not less than forty-eight hours before the commencement of the AGM. The Corporate Members are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote at the AGM. Proxy form is annexed to this Notice;
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business is annexed hereto and forms part of the notice.
3. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the General Meeting.
4. Members / Proxies should fill in the attendance slip for attending the Meeting.
5. In line with MCA Circulars and SEBI circulars dated May 12, 2020 and January 15, 2021, the Notice calling the AGM along with the Annual Report for FY 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and the Annual Report will also be available on the website of the Company at <https://www.edelweissretailfin.com/>
6. Additional information of Director(s) seeking re-appointment/appointment at the ensuing AGM, as required under Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), is annexed to the Notice. (Annexure 1)
7. All documents referred to in the accompanying Notice and Explanatory Statement are open and available for inspection at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m., up to the date of this Meeting. The aforesaid documents will also be available for inspection at the General Meeting.
8. The route map showing directions to reach the venue of the General meeting is annexed.

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EXPLANATORY STATEMENT TO AGENDA ITEMS

Item No. 3:-

The Reserve Bank of India ("RBI") issued a Notification RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021, inter-alia, have stipulated that the maximum tenure of Statutory Auditor shall be limited to a continuous period of 3 (three) years only. The above requirement and condition is made applicable from financial year 2021-22.

The Members of the Company in its Extra-Ordinary General Meeting held on November 3, 2021 approved the appointment of M/s. G. D. Apte & Co. (Firm Registration No.: 100515W) to hold the office till the conclusion of 25th Annual General Meeting to be held in year 2022 and for a further period of two (2) years, from the conclusion of the 25th Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company to be held in year 2024.

Accordingly, the Company is required to appoint M/s. G. D. Apte & Co. to hold office for a further period of two years from the conclusion of this Annual General Meeting (25th AGM) till the conclusion of 27th AGM of the Company.

The Board recommends for approval by the Members the Resolution as set out at Item No. 3 of the Notice as Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution, as set out at Item No. 3 of the Notice.

Item No. 4:-

The Members of the Company had at the Annual General Meeting held on September 24, 2021, by way of a Special Resolution, authorised the Board of Directors of the Company (which term includes any Committee of the Board to exercise its powers including the powers conferred by the Resolution) to issue, offer and allot secured, unsecured perpetual, Non-Convertible Debentures, Market Linked Debentures ("the Debentures") including but not limited to Subordinate Debentures which may or may not be classified as being additional Tier I or Tier II capital under the provisions of the RBI Master Direction, on private placement basis, listed and/or unlisted, aggregating to Rs. 1000 crores (Rupees One Thousand Crores only), to the eligible investors, on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and wherever necessary, in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and/or any other agency(ies) which the Board may deem fit and appropriate and the said approval would remain valid till September 30, 2022.

In order to meet its further growth requirements, the Company proposes to continue to issue, offer and allot Debentures namely secured, unsecured Non-Convertible Debentures, Market Linked Debentures ("the Debentures") including but not limited to Subordinate Bonds, perpetual debt instrument which may or may not be classified as being additional Tier I or Tier II Capital under the provisions of the RBI Master Direction, on private placement basis in one or more tranches, to the eligible investors in accordance with the provisions of Sections 42 and 71 and all other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time (the Act), the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time, the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time (the Rules), and pursuant to the provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time and other applicable SEBI Rules and Regulations, as amended from time to time and subject to the relevant provisions of the Reserve Bank of India (RBI) Directions, Rules and Regulations, up to an amount not exceeding Rs. 1,000 Crores (Rupees One Thousand Crores only). The NCDs may be issued at par or at a premium and may be listed on the Stock Exchange(s), on such other terms and conditions as the Board or the Committee may determine. Towards that, the Company hereby seeks approval of the Members by way of a Special Resolution.

The said approval would be valid for a period of one year from October 1, 2022, to September 30, 2023. There is no change in limit to issue NCDs from the last approval of the shareholders accorded at the Annual General Meeting held on September 24, 2021.

The disclosures as required under Section 42 of the Companies Act, 2013 as amended from time to time (the Act) and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time (the Rules) are as under:

a) Particulars of offer including date of passing the Board Resolution:

Resolution for issue of NCDs on a Private Placement Basis for a value not exceeding Rs. 1000 Crores, in one or more tranches, had been passed by the Board at its meeting held on May 06, 2022. The Board shall determine specific terms and conditions of the offer at the time of issuance of respective series/ tranche of the Debentures.

b) Kind of Securities offered and the price at which security is being offered:

Issue Price of the Debentures shall be determined at the time of issue of respective series/ tranche of the Debentures and each tranche may be issued at par or premium or discount depending upon the market scenario and various other factors impacting the price of the Debentures in general.

c) Basis or justification for the price (including premium, if any) at which the offer or invitation is being made:

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Not Applicable.

d) Name and address of valuer who performed valuation:

Not Applicable.

e) Amount which the company intends to raise by way of such securities:

Amount aggregating upto Rs. 1000 Crores (Rupees One Thousand Crores only) in one or more tranches.

f) Material terms of raising such securities, proposed time schedule, purpose or objects of offer, contribution being made by the promoters or Director either as part of offer or separately in furtherance of objects; principal terms of assets charged as securities:

The Board or the Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution shall determine the terms and conditions of the offer at the time of issuance of respective series/tranche of Debentures.

The Special Resolution set out herein shall remain in force for the period of one year commencing from October 1, 2022 to September 30, 2023.

The Board recommends the passing of the Special Resolution set out in item no. 4 of the Notice.

None of the Directors, Key Managerial personnel of the Company and/or any of their relatives have any particular interest or concern in this item of business except to the extent of the securities, if any, which are/may be held/subscribed by them.

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

Sd/-

**Jignesh Gaglani
Company Secretary**

Membership No: ACS 43583

Place: Mumbai

Date: May 6, 2022

Registered Office:

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Kirol Road, Kurla (W), Mumbai - 400 070
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Details of Directors as on 31st March 2022, seeking appointment / re-appointment at the 25th Annual General Meeting of the Company pursuant to Secretarial Standard on General Meetings (SS-2)

Particulars	Ms. Shilpa Gattani
Age	44 years
Date of first appointment	February 06, 2020
Experience in functional area	Ms. Shilpa Gattani has over 16 years of professional work experience. She has been with Edelweiss since 2005 and is instrumental in starting the fixed income desk at Edelweiss. She has been leading this department since the last 6 years and has institutionalized the business to greater heights. Before being the head of Treasury Management business she was Head of Resources at Edelweiss Group wherein she was responsible for fund raising in the money market and Asset Liability Management. Over the period of last 10 years, she has built strong relationships with fund houses, banks and other financial institutions. Prior to this, Shilpa was company secretary for the Edelweiss Group and responsible for governance and secretarial functions. Shilpa is a member of Institute of Company Secretaries of India and has done her Masters in Business Administration.
Qualifications	Member of Institute of Company Secretaries of India and Master's in Business Administration.
Terms and conditions of Appointment/ Re-appointment	Liable to retire by rotation.
Remuneration to be paid and Remuneration last drawn	Nil
No. of Board Meetings attended during the year	4
Relationship with other Directors and Key Managerial Personnel	None
No of shares held in the Company	Nil

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Directorship in other companies	Edelweiss Housing Finance Limited		
Membership/ Chairmanship of Committees of other public limited companies.	Name of Company	Name of Committee	Position (Member/Chairman)
	Edelweiss Housing Finance Limited	Audit Committee	Member
		Asset Liability Management Committee	Member
		Stakeholders Relationship Committee	Member

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ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the Members attending (in block letters) : _____

Name of the Proxy: _____

(To be filled in, if the proxy form has been duly deposited with the Company)

I hereby record my presence at the 25th Annual General Meeting of the Company to be held on Friday, September 16, 2022 at 3:30 pm at Edelweiss House, Off. CST Road, Kalina, Mumbai – 400098

No. of Shares held : _____

DP ID/Client ID No. : _____

Regd. Folio No. : _____

Member's/Proxy's Signature : _____

- Only Member/Proxy holder can attend the Meeting.
- Member/Proxy holder should bring his/her copy of the Notice and/or Annual Report for reference at the Meeting.

Signed this _____ day of _____, 2022

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Members(s): _____

Registered address: _____

E-mail Id: _____

Folio No. / Client ID No.: _____ DP ID No. _____

I/ We, being the member(s) holding _____ Equity Shares of the above named Company hereby appoint:

1. Name: _____ Email Id: _____

Address: _____

Signature: _____ or failing him/her

2. Name: _____ Email Id: _____

Address: _____

Signature: _____ or failing him/her

3. Name: _____ Email Id: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Friday, September 16, 2022 at 3:30 pm at Edelweiss House, Off. CST Road, Kalina, Mumbai – 400098 Registered office of the Company and at any adjournment thereof in respect of such resolution as indicated below:

Sr. No.	Particulars of Motion
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board and the Auditors thereon
2.	Re-appointment of Ms. Shilpa Gattani as a Director who retires by rotation and, being eligible, offers herself for re-appointment
3.	Appointment of M/s. G. D. Apte & Co., Chartered Accountant as the Statutory Auditor of the Company
4.	Issue of Non-Convertible Debentures on private placement

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Signed this ____ day of _____ 2022

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

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Note:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Edelweiss House, Off. CST Road, Kalina, Mumbai – 400098 not less than 48 hours before the commencement of the Meeting.
2. A member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself.

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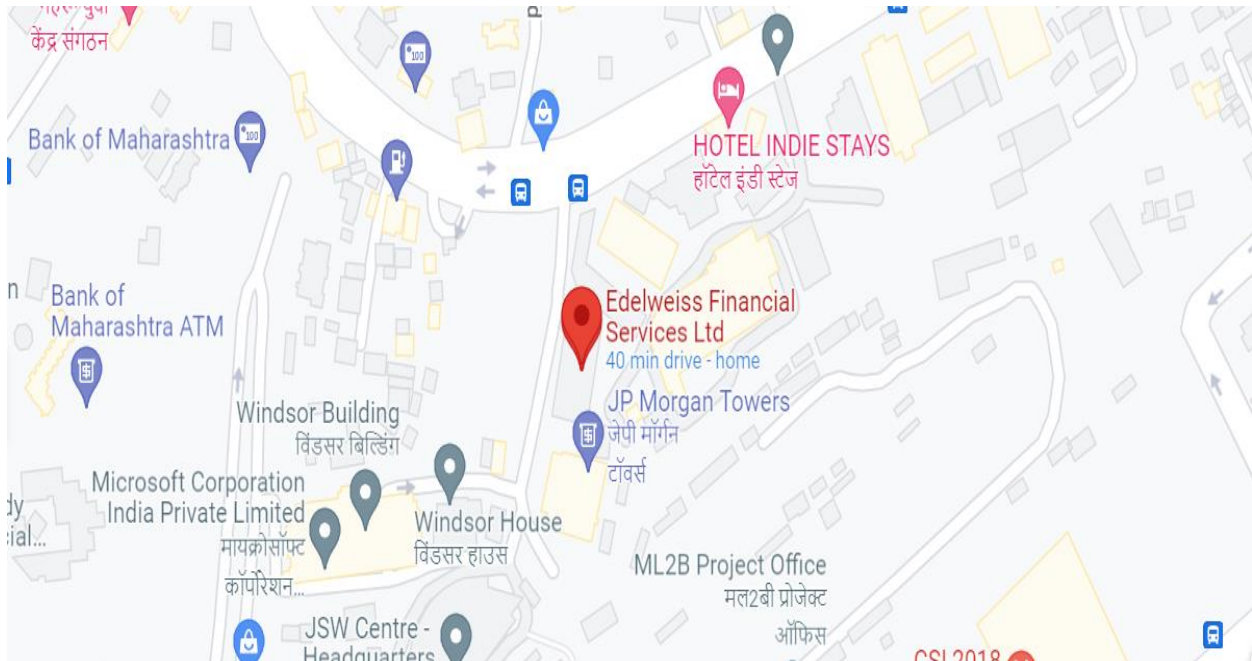
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ROAD MAP FOR THE VENUE OF THE GENERAL MEETING OF EDELWEISS RETAIL FINANCE LIMITED

AGM Venue

Edelweiss House, Off. CST Road,
Kalina, Mumbai – 400098

Route map for the venue of the meeting



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Financial Statement for the year ended March 31, 2022

Edelweiss Retail Finance Limited
Financial Statement for the year ended March 31, 2022

Board of Directors

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

* Appointed w.e.f 15.05.2021

Chief Executive Officer

Mr. Mehernosh Tata

Chief Financial Officer

Mr. Shailendra Dhupiya
(Ceased to be CFO w.e.f 28.02.2022)

Company Secretary

Mr. Jignesh Gaglani
(Appointed w.e.f. August 4, 2021)

Statutory Auditors

M/s. G.D. Apte & Co. LLP

Registered Office

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Kirol Road, Kurla West
Mumbai – 400 070
Corporate Identity No.:
U67120MH1997PLC285490
Tel: +91 22 4009 4400;
Fax: +91 22 4086 3759;
Email: cs.cbg@ecf.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 6195

Kfin Technologies Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda,

Hyderabad - 500 032

Tel: +91 40 6716 2222; Fax: +91 40 2300 1153

BOARD'S REPORT

To the Members of
Edelweiss Retail Finance Limited,

The Directors hereby present their 25th 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, 2022 :-

Financial Highlights

	(₹ in millions)	
Particulars	2021 - 22	2020-21
Total Income	1,799.07	2,500.73
Total Expenditure	1,545.07	2,171.13
Profit before tax	254.00	329.60
Provision for tax (including Deferred Tax)	69.32	61.05
Profit after tax	184.69	268.55
Add: Profit and Loss account balance brought forward from previous year	959.86	475.41
Other Comprehensive Income	(0.39)	0.32
Transition impact of Ind AS 116 (net of tax)	-	-
Profit available for appropriation	1144.16	744.28
Appropriations		
- Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(36.94)	(53.72)
- Transfer to/from Debenture Redemption Reserve		269.30
- Deemed distribution during the year		-
- Reversal of ESOPs charges on cancellation	3.73	-
Surplus carried to Balance Sheet	1,110.95	959.86
Net worth (Net worth = Equity share capital + other equity)	4970.20	4736.70

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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. During the year there was no change in nature of Business of the Company.

Major events during the year

a. 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.

b. Change of place where the Books of Accounts are maintained

Your Company has changed its address where Book of accounts are to be maintained from ‘Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098’ to its Registered office i.e. Tower 3, Wing ‘B’, Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (west), Mumbai – 400070 (Kohinoor House) which is within the local limits of the same city.

Reserves and Surplus

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

Share Capital

During the year, there was no change in the Authorised Share Capital, Issued Share Capital, Subscribed Share Capital and Paid up Share capital of the Company. As at March 31, 2022, the Authorised Share Capital and Paid up Share Capital of the Company stands at Rs. 500.00 million and Rs. 429.50 million respectively

Dividend

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With a view to conserve the resource of the Company the Directors are not recommending any Dividend for the year ended March 31, 2022.

Finance & Credit Ratings

During the year, your Company neither issued any securities nor borrowed any long term funds, as the Company has sufficient liquidity/availability of resources in line with the 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.

Our network of offices

We operate through a wide network of 39 offices as of March 31, 2022 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

The Company is engaged in the business of providing loans and making investments. During the year, the Company did not give any guarantee. Further, the provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees or providing security in connection with loan and acquisition of securities of any body-corporate are not applicable to the Company.

Related Party Transactions

All the Related Party Transactions (RPT) entered by the Company during the year were in the ordinary course of business and on arm's length. There were no significant material transactions entered into by the Company with any Related Party during the year. Thus, the disclosure as per section 134(3)(h) of the Companies Act, 2013, in the prescribed Form AOC-2 is not applicable to the Company. All the Related Party Transactions as required under Indian Accounting Standard ("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/?Investor%20Relations>

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

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, 2022) 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) 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) Non-Independent Directors

The Board of your Company has 2 (two) Non-Executive Directors as on date of this Report

iii) Changes in Directors

- a) Dr. Vinod Juneja (DIN: 00044311) appointed w.e.f May 15, 2021 as Additional (Independent) Director and regularised in the 24th Annual General Meeting held on September 24, 2021.
- b) Mr. Deepak Mundra (DIN: 06733120) resigned as Non-executive Director of the Company with effect from October 13, 2021.
- c) Ms. Shilpa Gattani (DIN: 05124763) retires by rotation at the forthcoming Annual General Meeting (AGM) and, being eligible, offers herself for re-appointment.

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iv) Key Managerial Personnel

During the year 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. Amit Pandey	Resigned as Company Secretary (CS)	June 7, 2021
2.	Mr. Jignesh Gaglani	Appointed as Company Secretary (CS)	August 4, 2021
3.	Mr. Shailendra Dhupiya	Resigned as Chief Financial Officer (CFO)	February 28, 2022

Number of Board Meetings held

During the financial year 2021-22, the Board met 4 (four) times on June 10, 2021, August 4, 2021, October 28, 2021 and January 28, 2022 respectively.

The number of meetings attended by the members of the Board are as follows :

Member	Category	Meetings held#	Meetings attended
Ms. Shilpa Gattani	Non-Executive Director	4	4
Mr. Phanindranath Kakarla	Non-Executive Director	4	4
Mr. Sunil Phatarphekar	Independent Director	4	4
Mr. Vinod Juneja	Independent Director	4	4
Mr. Deepak Mundra*	Non- Executive Director	4*	0*

*Mr. Deepak Mundra ceased to be Director w.e.f October 13, 2021

Remuneration Policy and Criteria for making payment to Non-Executive Director

The Company has formulated a Remuneration Policy ("Policy") as per the provisions of Section 178 of the Companies Act, 2013. During the year, there were no changes or amendments to the Remuneration Policy of the Company. The said Policy is placed on the website of the Company at <https://www.edelweissretailfin.com/corporate-governance/?Other%20Policies>.

Evaluation of the Performance of the Board

The Board has formulated a Board Evaluation Policy (the Policy) for evaluating the performance of the Board, Chairman, Directors and its Committees of Board. Based on the same, the performance was evaluated for the Financial Year ended March 31, 2022.

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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 in the Explanation provided 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, proactively preparing for regulatory review, remediating through preventive and corrective steps for identified risk events.
- 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.

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Risk Management

Risk management is an integral part of the Company's business strategy. It maintains a robust risk management framework/policy to identify, assess, manage, prioritize, monitor and report risks.

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, the Risk Management Committee met Four (4) times i.e. on July 06, 2021, August 9, 2021, November 22, 2021 and February 08, 2022. The constitution and the number of meetings attended by the Members of the Committee during the year under review is given below:

Member	Category	Designation	Meetings held	Meetings attended
Mr. Mehernosh Tata	Member	Chief Executive Officer	4	4
Mr. Shailendra Dhupiya	Member	Chief Financial Officer	4	4
Ms. Shilpa Gattani	Member	Non-Executive Director	4	3
Mr. Nirav Kamdar*	Member	Risk Head	4*	1*
Mr. Deepak Mundra#	Member	Non-Executive Director	4#	1#
Mr. Sandeep Agrawal\$	Member	SVP - Finance	4\$	1\$

*Mr. Nirav Kamdar ceased to be member w.e.f August 04, 2021

#Mr. Deepak Mundra ceased to be member w.e.f. October 13, 2021.

\$Mr. Sandeep Agrawal appointed w.e.f. February 8, 2022

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. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2022, the Audit Committee met Four (4) times i.e. on June 10, 2021, August 4, 2021, October 28, 2021

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and February 28, 2022. The constitution and the number of meetings attended by the Members of the Audit Committee during the year is given below:

Member	Category	Designation	Meetings held	Meetings attended
Mr. Sunil Phatarphekar	Member	Independent Director	4	4
Dr. Vinod Juneja	Member	Independent Director	4	4
Ms. Shilpa Gattani	Member	Non- Executive Director	4	4

Dr. Vinod Juneja appointed w.e.f. May 15, 2021.

There were no instances wherein any recommendation of the Audit Committee was not accepted by the Board.

Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013, (the Act), the Board of Directors has constituted a Nomination and Remuneration Committee (NRC). The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2022, the Nomination & Remuneration Committee met 1 (One) time i.e. on June 10, 2021. The constitution and the meeting attended by the Members of the NRC during the year is given below:

Member	Category	Designation	Meetings held	Meetings attended
Mr. Sunil Phatarphekar	Member	Independent Director	1	1
Dr. Vinod Juneja*	Member	Independent Director	1	1
Ms. Shilpa Gattani	Member	Non- Executive Director	1	1

**Dr. Vinod Juneja appointed w.e.f. May 15, 2022*

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. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2022, the Corporate Social Responsibility Committee met once on May 21, 2021. The constitution and meeting attended by the Members of the CSR Committee during the year is given below:

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Member	Category	Designation	Meetings held	Meetings attended
Mr. Sunil Phatarphekar	Member	Independent Director	1	1
Dr. Vinod Juneja*	Member	Independent Director	1	1
Ms. Shilpa Gattani	Member	Non-Executive Director	1	1

*Dr. Vinod Juneja appointed w.e.f. May 15, 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>. During the year, the CSR Policy was amended to align the same in accordance with the amendments in the CSR provisions of the Companies Act, 2013 and Rules made thereunder. Further, report on the CSR activities for the FY 2021-22 is annexed as **Annexure II**

Stakeholders Relationship Committee

In accordance with the provisions of Section 178 of the Act, the Board of Directors of the Company have constituted a Stakeholders Relationship Committee ('SRC Committee'). The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2022, the Stakeholders Relationship Committee met once on May 21, 2021. The constitution and the number of meetings attended by the Members of the SRC Committee during the year is given below:

Member	Category	Designation	Meetings held	Meetings attended
Ms. Shilpa Gattani	Member	Non- Executive Director	1	1
Mr. Phanindranath Kakarla	Member	Non- Executive Director	1	1
Mr. Mehernosh Tata	Member	Chief Executive Officer	1	1

Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act) and RBI circular ("Circular") dated 27th April 2021 on the Guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), Members of the Company at their 24th Annual General Meeting held on September 24, 2021 had appointed M/s. G D Apte & Co., as the Statutory Auditor of the Company from the conclusion of 24th Annual General Meeting of the Company till the conclusion of 27th Annual General Meeting of the Company. 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

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for six years (two tenures). Since, S. R. Batliboi & Co. LLP had already completed audit for a continuous period of three years and were ineligible to continue as Statutory Auditors, the Company, as a necessary step to comply with the aforesaid circular, appointed M/s. G. D. Apte & Co. as Statutory Auditors, in place of S. R. Batliboi & Co. LLP. The said auditors shall hold the office till the conclusion of 25th Annual General Meeting to be held in the year 2022 and for a further period of two (2) years, from the conclusion of the 25th Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2024.

The Statutory Audit Report does not contain any qualifications, reservations and adverse remarks.

Internal Auditor

The Board had appointed M/s. M.M. Nissim & Co. as the Internal Auditors for the financial year ended March 31, 2022.

Secretarial Audit

The Board had appointed M/s. Manish Ghia & Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year ended March 31, 2022. A report issued by the Secretarial Auditors is annexed as **Annexure III**. The Secretarial Audit Report does not contain any qualifications, reservations and adverse remarks.

Prevention of Sexual harassment of Women at Workplace

The Company prohibits any form of sexual harassment and any such incidence is immediately investigated and appropriate action is taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has in place, a corporate policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace (the 'Policy') and matters connected therewith or incidental thereto covering all the aspects as contained under the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. The Company also has in a place an Internal Committee constituted under Sexual Harassment Prevention Act and Rules made thereunder to look into all complaints of sexual harassment made by an Aggrieved Person provided the sexual harassment has taken place at workplace or in the course of official duties. There was no complaint filed during the financial year and no complaint was pending at the end of the financial year.

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

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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.
- 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.

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:

- a) The Company is continually working towards streamlining & optimizing the business workflows via technology absorption for most of the business functions & operations of the Company;
- b) Majority of legacy applications have been, either consolidated, or decommissioned; & have been replaced with digital workflows & modern technology solutions;
- c) 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;
- d) The Company is continually working towards digitization & digitalization across various business verticals;
- e) 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.

- f) Your Company operate in a highly automated environment and make use of the latest technologies to support various operations. It has in place a governance framework, information security practices and a business continuity plan to mitigate information technology-related risks. It is also guided by the Information Security Policy and Cyber Security Policy laid down by RBI Master Direction - Information Technology Framework for the NBFC Sector alongside your company also guided by an independent assurance team within Internal Audit which provides assurance on the management of information technology-related risks. In addition, employees mandatorily and periodically undergo information security training and sensitisation exercises.

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

- a) Reduction of data-loss during customer onboarding;
 - b) Consolidation of digital assets, storage & speedy retrieval;
 - c) Various product enhancements; and
 - d) 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) - Not Applicable**
- iii) **The expenditure incurred on Research and Development:**
- a. The Company does not have a dedicated R&D division.
 - b. 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 and outgo during the year.

Secretarial Standards

The Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India. The Company has devised proper systems to ensure the same and that such systems are adequate and operating effectively.

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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 as well as sweat equity shares, as the Company has not issued such types of Shares during the period under review.
- In terms of Section 148 of the Companies Act, 2013 there was no requirement of maintenance of cost records by the Company.
- 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 company's operations in future.
- Further, no fraud was reported by the Auditors under sub-section (12) of section 143 during the year.

Public Deposits

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

Whistle Blower Policy/Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 the Company has in place a whistle blower policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/ or improper conduct and to take suitable steps to investigate and correct the same. Directors, employees, vendors, customers or any person having dealings with the Company may report non-compliance of the policy to the noticed persons. The copy of the policy is available on <https://www.edelweissretailfin.com/corporate-governance/?Other%20Policies>.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee during the year. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism.

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

Dr. Vinod Juneja (DIN: 00044311) appointed w.e.f May 15, 2021 as Additional (Independent) Director and regularised in the 24th Annual General Meeting held on September 24, 2021. 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 IV** to the Board's Report.

In terms of provisions of Section 136 of the Companies Act, 2013, any member interested in obtaining a copy of information under Rule 5(2) of the aforesaid rules, may write to the Company Secretary of the Company at the Registered Office address.

Proceedings under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

In terms of Rule 8 sub-rule (5) of the Companies (Accounts) Rules, 2014, there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

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 along with proper explanation relating to material departures, if any;
- (ii) they 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, 2022 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.

Debenture Trustee:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai- 400 001, Maharashtra, India
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

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: 06.05.2022

Place: Mumbai

Sd/-

**Phanindranath Kakarla
Director
DIN: 02076676**

Sd/-

**Shilpa Gattani
Director
DIN: 05124763**

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ANNEXURE I
MANAGEMENT DISCUSSION & ANALYSIS REPORT

MACRO ECONOMY: REVIEW AND OUTLOOK

The last two years have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection, supply-chain disruptions and more recently, inflation have created particularly challenging times.

Right when the global economy seemed to be at the cusp of witnessing recovery after leaving the worst of the COVID-19 pandemic behind, the Russia-Ukraine crisis escalated. Understandably, the crisis has clouded India's growth outlook as well. However, the results of the government's growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will lead to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency - all leading to accelerated economic growth.

The fiscal support given to the economy by the Central Government as well as the health response caused the fiscal deficit and government debt to rise in 2020-21. However, there has been a strong rebound in government revenue receipts which has gone up by 67.2% Y-o-Y during April to November, 2021.

Further, RBI continued to remain supportive of growth. RBI launched a suite of regulatory measures that included a loan moratorium, asset classification standstill, easing of working capital financing and deferment of interest, increasing of group exposure norms, restructuring of advances to micro, small, and medium enterprises (mSMEs) and reduction of the liquidity coverage ratio (LCR) requirements, to mention the main initiatives.

Going ahead, while the economy is recovering, inflation is expected to skyrocket in the next few quarters of FY 2022-23 because of higher food and fuel prices and negative terms of trade. The next few months will be critical for India's economy as the government and the RBI work at balancing the stress

on inflation, currency, external accounts, and fiscal deficit.

Overall Outlook

While the economy was on a mending path from the COVID-19 pandemic, Russia's invasion of Ukraine, inflationary pressures, etc. has upended the global economic outlook. The good news is, India has endured the pandemic for over two years and has come out of it more resilient.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Commercial Credit Markets

Banking Industry

With the start of 2022, the Indian economy is gradually picking up momentum and is expected to grow at 6.5 percent in fiscal 2022-23. The pace of bank credit growth hit 9.6% in FY22, up from 5.6% in FY21. The banks' asset quality are expected to improve with non-performing loan (NPL) ratios to decline due to recoveries or write-offs of legacy problem loans while the formation of new NPLs will be stable as the economy recovers. The loan growth will help banks push NPL ratios down by expanding the overall pool of loans. Capitalization, funding and liquidity will be stable and support loan growth.

The onset of the pandemic led to a global shift in the way businesses and industries operate. Similarly, the financial industry also quickly transformed overnight, ramping up their digital infrastructure to ensure corporate and retail customers have 24/7 access to banking services.

Credit continues to be driven by retail lending. On the wholesale side, part of the growth is due to the shift from money markets to loans and surge in commodities like oil has increased the demand for working capital.

NBFC Industry

With the increased pace of vaccinations and the broadening revival of the economy, the NBFC sector is expected to remain buoyant. The financial system is maturing from a bank-dominated space to a hybrid system wherein non-bank intermediaries are gaining prominence.

Last two years have been challenging, but this year the industry is looking at a revival in a post-pandemic era and the revival will gather further momentum next fiscal. Most NBFCs have also invested good amounts in the technology infrastructure. So even if there is a lockdown, disruption in the business will be lower than what it was earlier.

Housing finance companies would be the strongest corner of the NBFC population, with sharp balance sheet growth. The performance of asset financiers may be mixed, while gold loan lenders may consolidate after several quarters of robust growth. NBFCs are likely to post higher credit growth and improvement in asset quality in Q4 FY22 after seeing muted demand and rise in slippages due to Covid-19 led disruptions for multiple quarters.

Normalised collection efficiency will lead to higher recoveries and upgrades and higher credit growth shall further improve lenders headline gross non-performing asset figures.

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. The asset under management (AUM) of NBFC (Retail) is expected to grow 8-10 percent in fiscal 2023.

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. Within the retail segment, personal credit, microfinance and gold loans are likely to be the primary growth drivers as other asset segments-vehicle finance and business credits are still facing headwinds because of supply constraints and asset quality concerns.

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. 11 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 WITH RESPECT TO OPERATIONAL PERFORMANCE

With the Indian economy getting back onto a growth trajectory, credit disbursement numbers are on the rise again. Our strong business fundamentals have enabled us to withstand the headwinds faced by NBFC industry in the previous year. ERFL focused on Direct Assignment and Securitization as an effective way to be asset light and diversify sources of liabilities. At the same time, we devoted the year to

improving productivity of our employees, deploying technology to enable our employees to cater to all the needs of the clients while working from home and ensuring quality of credit and customers. Various initiatives were undertaken during the year for building efficiencies.

Further, structural interventions like process changes, analytics and technology adoption will aid in cost optimization and improved productivity. Several employee engagement initiatives also were undertaken with special focus on talent management.

FINANCIAL HIGHLIGHTS FOR FY22

A summary of our FY22 financial highlights is as under:

- **Total Revenue: Rs. 1799.08 million** (Rs.2500.73 million for FY21)
- **Profit after Tax: Rs. 184.69 million** (Rs.268.55 million for FY21)
- **Networth: Rs. 4,970.23 million** (Rs. 4,736.62 million at the end of FY21)
- **Return on Equity 3.70%** (5.66% for FY21)
- **EPS (Basic and Diluted) Rs.4.30** (Rs. 6.26 for FY21) (FV Rs.10 per share)
- **Book Value per Share Rs.118.51** (Rs.114.07 for FY21) (FV Rs.10 per share) compared to Rs.9,545.45 million at the end of FY21, down 29.5%.

INCOME

Fund Based Revenue

Our fund-based businesses earned revenue of Rs.1601.55 million for FY22 (Rs. 2,237.63 million for FY21). Out of this, interest income was Rs.1,550.26 million (Rs. 2,182.99 million for FY21). Thus, almost all of the fund-based revenue comprises of interest earnings.

Agency Fee & Commission

Our agency fee & commission revenue was Rs.51.29 million for the year, compared to Rs. 54.64 million in FY21, down 6.1%.

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 FY22 was Rs.51.29 million (Rs.54.64 million for FY21) and Fund based net revenue, i.e. revenue net of interest cost, was Rs.722.95 million (Rs.833.85 million for FY21). Thus, the total net revenue for FY22 was Rs.971.77 million (Rs. 943.16 million for FY21).

EXPENSES

Our total costs for FY22 was Rs.1,545.07 million (Rs. 2,171.13 million in FY21), down 28.8%. Within our total costs, operating expenses accounted for Rs.619.54 million in FY22 (Rs. 345.32 million for FY21) and credit costs accounted for Rs.(117.50) million in FY22 (Rs. 354.61 million for FY21). Our employee expenses increased from Rs.122.08 million in FY21 to Rs.215.72 million in FY22. As regards interest expense which decreased from Rs. 1349.14 million in FY21 to Rs.827.31 million in FY22, our borrowings at the end of FY22 were Rs.6,731.90 million compared to Rs.9,545.45 million at the end of FY21, down 29.5%.

PROFIT AFTER TAX

Our Profit after Tax for FY22 was Rs.184.69 million compared to Rs.268.55 million for FY21.

Analysis of Profitability

The company has posted profit after tax of Rs. 184.69 million for FY22 which is lower from profit after tax for FY21 due to lower credit cost during FY22 partially offset by lower net interest income in FY22.

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.4,970.23 million as at the end of FY22 compared to Rs. 4, 736.62 million at the end of FY21. Amount of debt on the Balance Sheet as on March 31, 2022 was

Rs. 6,731.90 million (Rs. 9,545.44 million as on March 31, 2021), a Gearing Ratio of 1.35 times for FY22, (2.02 times FY21). The comfortable leverage allows us enough headroom to continue to grow and invest in business. The gross Balance Sheet size at the end of FY22 was Rs. 12,642.62 million compared to Rs. 15,184.83 million at the end of FY21.

ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

As per 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 1.35 for FY22 compared to 2.02 for FY21; representing reduction in Debt by 29.5%. This was due to lower borrowings on account of increased focus on risk management rather than chasing asset growth.

(b) Return of equity 3.70% for FY22, compared to 5.66% for FY21. Decrease is mainly due to lower profit after tax during FY22.

BUSINESS PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY22 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. 10,719.17 million at the end of this year compared to Rs. 12,548.63 million at the end of previous year, down 17.1%.

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

Product/ Segment	As on March 31, 2022	As on March 31, 2021
Loan against Property	2083.42	2,849.14
SME Loans	2912.01	3,628.20
Construction Finance	0.62	132.66
Wholesale loans	5,723.12	5,938.63
Total Loan Book	10,719.17	12,548.63

Our Net Interest Margin (NIM) on the average credit book for FY22 is 6.2%.

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 2.3% and Net NPAs at 1.8% at the end of FY22 compared to Gross NPAs at 12.4% and Net NPAs at 10.2% at the end of FY21. Our specific provision cover Ratio as per the expected credit loss model as on March 31, 2022 was 21.3% compared to 17.9% as at the end of FY21.

BALANCE SHEET MANAGEMENT

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.6,731.90 million at the end of FY22 (Rs. 9,545.45 million at the end of FY21), Rs. 2,955.03 million of borrowing at the end of FY22 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, 2022 was 36.9% (39.9% as on March 31, 2021) with a Tier I Ratio of 24.4% (26.7% as on March 31, 2021)

OPPORTUNITIES

Financial services in India continue to offer massive and scalable opportunities for companies like our company. The long-term growth story of India remains intact:

- Increasing Financial literacy in the country, Democratisation of credit, Movement of household savings to investments and Rise in Demat accounts, rising entrepreneurship culture will present growth opportunities for a company like ours.
- MSME’s are the backbone of the Indian economy and provide significantly to the GDP. The government and RBI both have provided huge incentives and opportunities for their growth. During the pandemic, various schemes and measures were taken to provide protection to them. Going ahead MSME’s will continue to be an integral part of the economy and will provide

considerable/substantial opportunities to finance them for companies like ours.

- Rapid Digitalization and Improving Technological infrastructures among both, the MSME's and Finance sector will enhance the overall credit disbursal system.
- The monsoon is predicted to be normal which will boost farm sentiments and improve overall prospects of the economy.

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:

- Another COVID 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.
- If the Russia- Ukraine war escalates, it can lead to disruptions in the global economies.
- Disruptions in the global supply chain and increase in central bank rates can lead to slower economic growth

OUTLOOK & STRATEGY

While the GDP growth forecast for FY23 is robust and the Indian economy is now steadily recovering from the pandemic. Our confidence in the long-term India story continues to remain intact and growth opportunities will come back sooner than later. However, threats as outlined above can derail the current momentum of the economy. Companies that can demonstrate strong improvement in asset quality with the COVID subsiding and normalization materializing in collection and business momentum.

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 institutionalization and tech-oriented thinking.

Going forward, our business will leverage data and technology even more intensely along with an asset light model to build a strong and profitable book.

As the economy gains traction gradually, we are well-placed to take advantage of this India growth cycle. With strong capitalization, 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, Audit Committee Risk Management Committee, Credit Committee, Asset Liability Management Committee and IT Strategy 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 2 years, 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 were focused towards fighting the battle against COVID-19 and work was happening on different fronts for ensuring that we adapt to the New Normal going forward, as expeditiously as possible. We are using all our learnings from the pandemic to manage various types of emerging and newer risks in our business.

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.

Key Risks

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.

Liquidity and 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. 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.

Regulatory Risk

ERFL is exposed to various changes in laws and regulations by the bodies governing the ERFL or by the Government. Realignment with the changed regulatory framework regularly is the key in mitigating this risk.

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 institutionalized 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

The year has been full of learning experiences, and our people displayed resilience and unwavering commitment. We narrowed down our strategic priorities for the year; be it ensuring people's safety, conscious investment in knowledge, perspective and skill building, leveraging technology and data, exploring innovative solutions, building cost & process efficiencies or higher engagement with our internal and external stakeholders. As we implemented our priorities, being authentic and agile was most important. We believe keeping our people updated and informed along the way had a positive impact on employee morale, resulting in highly engaged teams.

Our people are our greatest strength, and we are committed to creating a workforce that reflects our culture and values. Attracting, developing, and retaining talent that bring a variety of experiences and perspectives, is a step forward towards building this culture. People with rich experiences are drawn together by a common vision, with the aim to positively impact growth and development.

Post attracting the right talent, our next priority is to prepare them for their next role and our robust training and development calendar ensures our teams have everything they need to achieve their career aspirations. SPARK is our learning platform that aims to instill the art of learning via leadership stories while Project Siksha is a holistic immersion plan, a walkthrough of product offering, and all the information needed for the entire sales and credit frontline team to originate and process Secured Lending cases. In addition to these, business specific trainings and knowledge and experience workshops are conducted regularly on the Learning Hub platform. Experiential Learning Groups are focused on training the next generation of leaders, while internal job movements, bridged the gap between our people and their aspirations

Developments on the HR front in FY22 are summarized below:

- The headcount as on March 31, 2022 (the end of the FY22) was ~145.
- We partnered with various stakeholders in the ecosystem to create an exhaustive roadmap for our hiring process. The aim was to attract freshers (graduate and post-graduate) and talent from across competing firms were onboarded.
- We implemented learning interventions designed to address all stages of the employee's journey - Pre-boarding, onboarding, and integration stage.
- Investment in digitalization & innovation – The launch of our unified HRMS tool [DarwinBox](#), made our processes more efficient for our people. The Performance Management System was moved on to the platform and our teams can monitor their year-end feedback, development plans, complete goal setting, and track progress on a real time basis, all at the click of a button.

A robust reward and recognition program to applaud our teams, spontaneously and over the course of the year, has helped drive the culture of recognition. The opus platform, is a more spontaneous recognition program while the GEM awards recognize our people who have gone the x-tra mile, more specific to the SME business.

People Practices during COVID-19 Pandemic

The health and wellbeing of our people continues to be a priority, and we organized several informative workshops and webinars to educate our teams about the key dos and don'ts during the pandemic. Our Covid warrior team, constituting people across businesses and functions, came together to provide any support that our people required. This could be helping with medical supplies and health emergencies, or even just offering emotional support.

During the pandemic, our hybrid work model gave our people the flexibility to WFH, WFO or WFF and

the use of technology made sure we stayed connected at every stage. Staff communication around COVID advisories, health & safety webinars, vaccination drives and various other Covid initiatives, provided our people with the required information to help them and their family deal with the situation. Our 'We Care' umbrella monitored individual health through various touch points including regular phone calls

- 11% of our workforce was impacted in the second COVID wave
- We ensured that our employees were engaged, and all support was provided to fulfil their professional responsibilities.
- Proactive measures were taken to help people stay on top of their health and wellness. In collaboration with our health partner, we launched the 'Expert Speak series', designed to create awareness and mindfulness about overall health and safety. These webinars covered facts around COVID vaccination, pre and post COVID care, the power and healing of ayurveda, awareness about the Omicron variant, and busting some myths about COVID, to name a few.
- Our exclusive 24X7 teleconsultation and counselling service made it easy for our people and their dependents to consult a wide range of doctors and specialists on multiple health issues.
- The COVID special leave was introduced so that our people could take time off for a faster recovery process, for self and family
- Vaccination drives were organized to cover all our employees and their family members, at a pan India level

There is a constant watch on the situation and with reduction in the number of cases across India, we transitioned completely to working from the office. All support was extended to make this transition seamless, be it setting up technology, any infrastructure support, and ensuring that we followed the safety protocols at all times.

TECHNOLOGY

Leadership

In the changed context, virtual leadership emerged to ensure that plans, decisions, information, and accomplishments are shared to motivate team members while sustaining connection, trust, and engagement with team members through frequent check-ins.

Our tiered Edelweiss Group Leadership Program in businesses continues to build capacities to nurture top talent in entry and mid-level. Focus on Senior leadership cohort continues to build a strong thinking body which acts as catalyst to shape our strategy. We are a part of this Group Leadership Programme.

Technology resiliency

The key pillars of 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 COVID-19 pandemic, the threat landscape reached a critical tipping point that changed cyber security outlook. It not only increased digitization but also cybercrimes. To cater to this changing landscape, we have adopted 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 perimeter. We further strengthened the cyber security posture of the organization, we migrated all the critical internet-facing interfaces behind an established cloud-based web application firewall to safeguard against web application attacks as well as distributed denial of service attacks. Further, regular vulnerability assessment and penetration testing, review of segregation of duties, other audit, and compliance testing(s) have ensured that the organization's information assets are safe and secure. An awareness program is conducted for all employees using the digital channel regarding cyber security. Employees of the organization are required to undergo a mandatory online learning module on information security and affirm that they have understood and are aware of the protocols to be followed. Regular information security related flyers/e-mailers are also sent to all employees for awareness and training purpose.

As a best practice, the organization will continue its focus on the automation of security orchestration to respond to cyber incidents through its security operations centre (SOC).

On Information System (IS) Audit, During FY 2021-22 an (IS) audit was conducted by a CERT-in empaneled audit firm. The areas audited were, inter alia, user access management, patch management, business continuity and disaster recovery, data protection and the information security management system framework including cyber security. The audit revealed no major observations.

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. We introduced the 'Omni-channel' digital platform which eases customer

access. Through these efforts, we are responding to evolving customer needs, and institutionalizing these processes across the organization, 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. FY21 and FY22 numbers are as per IndAS. 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 : 06.05.2022
Place Mumbai

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

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

Annexure – II

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22

[Pursuant to clause (o) of sub-section (3) of section 135 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 to achieve the greatest impact on the lives of the poor in India.
- Composition of CSR Committee as March 31, 2022:

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. Sunil Phatarphekar	Independent Director	1	1
2.	*Dr. Vinod Juneja	Independent Director	1	1
3.	Ms. Shilpa Gattani	Non-Executive Director	1	1

** Dr. Vinod Juneja appointed w.e.f. May 15, 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

Edelweiss Retail Finance Limited

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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	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil
	Total		

6. Average net profit of the Company as per section 135(5): Rs. 345.11 million
7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 6.90 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. 6.90 million
8. (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.
7.00	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:

(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**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 7 million**

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

Sl. No.	Particular	Amount (in Rs. million)
(i)	Two percent of average net profit of the company as per section 135(5)	6.90
(ii)	Total amount spent for the Financial Year	7.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.10
(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

9. (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.	2018-19*	Nil	2.50				-
2.	2019-20	Nil	-				-
3.	2020-21	Nil	7.86				
	Total	Nil	10.36				-

* 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.
NIL								

10. 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).

11. 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
 Chairman CSR Committee
 DIN: 00005164

Mumbai
May 6, 2022

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Annexure A

1	2	3	4	5		6	7	8	9	10	11	
S. N o.	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	The collaborates for Transforming Education	Education	No	Maharashtra	Nandurbar Parbhani Satara Solapur	1	5,73,514	5,73,514	-	No	EdelGive Foundation	CSR0000514
2	Community led draught mitigation center	Livelihood	No	Rajasthan	Jodhpur, Bikaner	3	1,86,000	1,86,000	-	No	EdelGive Foundation	CSR0000514
3	SAFAL (Sustainable Livelihood Initiatives in	Livelihood	No	Odisha	Koraput, Nowrangpur	2	45,97,700	45,97,700	-	No	EdelGive Foundation	CSR0000514

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	South Odisha)											
4	Improving adaptability towards climate change and global warming effects through initiating Climate Smart Agriculture (CSA) approach for sustainability of tribal communities	Livelihood	No	Odisha	Mayurbhanj	3	16,42,786	16,42,786	-	No	EdelGive Foundation	CSR0000514
	TOTAL						70,00,000	70,00,000	-	-		

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SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Edelweiss Retail Finance Limited
Mumbai

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 (CIN: U67120MH1997PLC285490) and having its registered office at Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (W), Mumbai - 400070 (hereinafter called 'the Company'). 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.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 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 March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the company during the audit period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (applicable up to August 12, 2021); and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (applicable w.e.f. August 13, 2021) (Not applicable to the company during the audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (applicable up to August 8, 2021); and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (applicable w.e.f. August 9, 2021);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the company during the audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2008 (Not applicable to the company during the audit period); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable in respect of Non-convertible debentures of the company listed at stock exchanges);
- (vi) The Reserve Bank of India Act, 1934 and Credit Information Companies (Regulation) Act, 2005 and the directions, regulations issued by Reserve Bank of India thereunder and as applicable to Non-Banking Financial Companies, being laws that are specifically applicable to the Company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the company based on their sector/industry, in so far as registration, membership, submission of various returns/information or other particulars to be filed with Reserve Bank of India.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However, in the minutes of the meetings of Board and its Committees, for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

We further report that there are adequate 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, standards and guidelines.

We further report that during the audit period the company has:

1. obtained the approval of members under Section 42 of the Companies Act, 2013, by passing a Special Resolution in the Annual General Meeting held on September 24, 2021 for issuance of Non-Convertible Debentures aggregating to Rs. 1,000 crores on private placement basis in one or more tranches; and
2. shifted the place of maintenance of books of accounts of the company from 'Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400098' to 'Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (west), Mumbai – 400070' with effect from January 28, 2022.

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.



Place: Mumbai
Date: May 06, 2022
UDIN: F006252D000277490

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

Mannish L. Ghia

CS Mannish L. Ghia
Partner

M. No. FCS 6252 C.P. No. 3531
PR 822/2020

'Annexure A'

To,
The Members,
Edelweiss Retail Finance Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account of the restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

Place: Mumbai
Date: May 06, 2022
UDIN: F006252D000277490



For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

Mannish L. Ghia

CS Mannish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531
PR 822/2020

ANNEXURE IV

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
		Jignesh Gaglani*	Company Secretary	#
		Mr. Mehernosh Tata	Chief Executive Officer	134.37%
		Mr. Shailendra Dhupiya**	Chief Financial Officer	64.69%
3	Percentage increase in the median remuneration of employees in the financial year	10.57%		
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 2022 is 145.		

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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 48.3% and for managerial personnel 200.6%.
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 w.e.f from August 4, 2021

** Resigned w.e.f from February 28, 2022

#Since the remuneration of Mr. Jignesh Gaglani is only for the part of the year / previous year, ratio of remuneration to median and increase, is not comparable.

**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**

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INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of

Edelweiss Retail Finance Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Edelweiss Retail Finance Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 Companies Act, 2013 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 opinion on standalone financial statements.

Emphasis of Matter

Attention is drawn to note no. 49(1)(j) of the Statement which describes the impacts of Covid-19 Pandemic on the standalone financial results as also on the business operations of the Company, assessment thereof by the management of the Company based on its internal, external, and macro factors, involving certain estimation uncertainties. Our conclusion on the statements is not modified in respect of this matter.



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Pune Office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038,

Phone: +91 20 6680 7200; Email – audit@gdaca.com.

Our opinion is not modified in respect of above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr No	Key Audit Matter	Auditor's Response
1.	<p>Impairment of financial assets as at balance sheet date (expected credit losses):</p> <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none"> Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); Grouping of borrowers based on homogeneity by using appropriate statistical techniques; 	<ul style="list-style-type: none"> ➤ Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. ➤ Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "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 the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. ➤ Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. ➤ Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on one time restructuring.

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	<ul style="list-style-type: none"> • Estimation of behavioural life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/ minimal historical defaults. <p>Additional considerations on account of COVID-19</p> <p>Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated. In view of such high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic and related events, it is a key audit matter.</p>	<ul style="list-style-type: none"> ➤ Tested the ECL model, including assumptions and underlying computation. Assessed the floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults ➤ Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). ➤ Assessed disclosures included in the financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation.
2.	<p>Sales / Assignment of Financial Assets</p>	<ul style="list-style-type: none"> ➤ Read and assessed the Company's accounting policies for computation and accounting of sales / assignment of loan portfolios as per the provisions of Ind AS 109. ➤ Read and assessed the contracts entered by the Company for sale/assignment to verify the gains/ losses on the transactions. ➤ Verified the procedures followed by the company while carrying out the sale/assignment. ➤ Verification of confirmation and fair valuation of Security receipts.



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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity and cash flows of the Company in accordance with IND AS and the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 standalone 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 standalone 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 financial controls 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 system 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the

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results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 standalone financial statements of the current period 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.

Other Matter

- a) The audit of standalone financial results for the year ended March 31, 2021 was carried out and reported by S. R. Batliboi & Co. LLP, Chartered Accountants vide their unmodified audit report dated June 10, 2021, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the statements.

Report on Other Legal and Regulatory Requirements

- I) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- 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, 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.
 - iv) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 57(viii)(A) to the Special Purpose financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - v) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 57(viii)(B) to the Special Purpose financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

vi) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

vii) No dividend has been declared or paid during the year by the Company.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W


Chetan R. Sapre



Partner

Membership No: 116952

UDIN : 22116952AIMWYE8786

Place : Mumbai

Date : May 06, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS OF EDELWEISS RETAIL FINANCE LIMITED

(Referred to in paragraph I under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

i.

a)

A) The Company has maintained proper records showing full particulars including quantitative details and location of property, plant and equipment for the year.

B) The Company has maintained proper records showing full particulars including quantitative details and location of intangible assets.

b) The Company has physically verified its fixed assets during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.

d) The company has neither revalued its PPE (including Right of Use assets) nor intangible assets or both during the year.

e) As per the information and explanation provided to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

a) The Company business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

b) According to the information and explanations given to us, the company has availed working capital limits from banks on the basis of security of current assets. The quarterly statements filed by the company are in agreement with the books of accounts.

iii.

a) As per the information and explanations given to us, the principal business of the company is to give loans and hence clause iii(a) of the order is not applicable.

b) As per the information and explanations given to us, the investments made and loans provided by the company, are not prejudicial to the company's interest;

Company has not given any guarantees, security, and advances in the nature of loans.

c) In respect of the loans/ advances in nature of loan, granted by the company as part of its business, the schedule of repayment of principal and payment of interest has been

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stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date of repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for the reporting under this clause) in this report, in respect of loans and advances which were not repaid/paid when they are due or were repaid/paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and/or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification/staging of loans in note 12.2 to the standalone financial statements in accordance with Indian Accounting (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days (including cases classified as non-performing asset (NPA) as per RBI guidelines) as at March 31, 2022 and the details of the number of such cases, are disclosed in note 12.2 to the standalone financial statements. In such instances, in our opinion, reasonable steps have been by the Company for recovery of the overdue amount of principal and interest.
- e) In our opinion and based on the information and explanation given to us, the company is in the business of giving loans, hence this clause is not applicable.
- f) According to the information and explanation given to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations 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. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or the amounts deemed to be deposit as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed. Accordingly, paragraph 3(v) of the order is not applicable to the company.
- vi. The Company is not in the business of sale of any goods. Hence the provisions of Clause 3(vi) of the Order are not applicable to the Company.
- vii.
 - a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and any other

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statutory dues, wherever applicable. The provisions relating to duty of excise, duty of custom, sales tax, value added tax, and service tax are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2022 for a period of more than 6 months from the date they became payable.

- b) According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax, Goods and Service Tax and Value Added Tax which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, no transactions or income, not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
 - a. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayments of dues from any lender during the year.
 - b. According to the information and explanation given to us, the company is not declared as willful defaulter by any bank or Financial Institution or any lender.
 - c. According to the information and explanation given to us, the company has not borrowed new term loans during the year.
 - d. According to the information and explanation given to us, the funds raised on short term basis have not been utilized for long-term purposes.
 - e. The Company does not have any subsidiaries, associates or joint ventures and hence clause ix(e) of the order is not applicable.
 - f. The Company does not have any subsidiaries, associates or joint ventures and hence clause ix(f) of the order is not applicable.
- x.
 - a. According to the information and explanations given to us and on the basis of examination of records of the Company, the company has not raised any money by way of initial public offer or further public offer during the year. Hence the reporting requirement under clause 3(x)(a) is not applicable to the company.
 - b. According to the information and explanations given to us and on the basis of examination of records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence the reporting requirement under clause 3(x)(b) is not applicable to the company.



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xi.

- a. According to the information and explanation given to us, no fraud on or by the company, by its officers and employees has been noticed or reported during the course of our audit.
- b. According to the information and explanations given to us, during the year, no report U/s 143(12) of the Companies Act, 2013 has been filed by secretarial auditor, predecessor auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanation given to us, no whistle-blower complaints have been received during the year by the company.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii)(a) to 3(xii)(c) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given to us and based on our examination of records of the Company, the transactions entered with related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable and the details of such transactions are disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv.

- a. According to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business.
- b. The reports of the Internal Auditors of the company issued till date for the period under audit were considered by us.

xv. In our opinion and according to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not entered into any non-cash transactions with directors or persons connected with the directors covered under the provisions of sec 192 of the Act and accordingly the provisions of clause (xv) of the Order are not applicable to the Company.

xvi.

- a. In our opinion, the Company is required to be registered under section 45-IA of the RBI Act, 1934 (2 of 1934) and accordingly the registration certificate is obtained by the Company.
- b. According to the information and explanation given to us, the company has not conducted Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;



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- c. According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Hence the clause 3(xvi)(c) of the Report is not applicable.
 - d. According to the information and explanation given to us, there is one Core Investment Company (CIC) as part of the Group.
- xvii. According to the information and explanation given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. According to the information and explanations given to us and on the basis of our examination of the records, the previous statutory auditors of the Company have resigned during the year to comply with the instruction as specified in Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by Reserve Bank of India (the "RBI Guidelines") and there were no issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the BOD and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date.
- xx.
- a. According to the information and explanation given to us, there are no unspent amount in respect of other than ongoing projects which are required to be transferred to a Fund specified in Schedule VII to the Companies Act, within a period of 6 months of the expiry of the financial year in compliance with second proviso to Sec 135 (5) of the said Act.
 - b. According to the information and explanation given to us, there are no unspent amount in respect of ongoing project which are required to be transferred to special account in compliance with the provision under section 135(6) of the said Act.
- xxi. The Company is not required to prepare consolidated financial statements and hence the provisions of Clause of 3(xxi) is not applicable.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W

Chetan R. Sapre

Partner

Membership No: 116952

UDIN : 22116952AIMWYE8786

Place : Mumbai.

Date : May 06, 2022



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS OF EDELWEISS RETAIL FINANCE LIMITED

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **EDELWEISS RETAIL FINANCE LIMITED** ("the Company") as of March 31, 2022 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 system over financial reporting.



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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 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 G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W



Chetan R. Sapre

Partner

Membership No: 116952

UDIN : 22116952AIMWYE8786

Place : Mumbai.

Date : May 06, 2022

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Edelweiss Retail Finance Limited
Balance Sheet as at 31 March 2022

(Currency : Indian rupees in millions)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
(a) Cash and cash equivalents	8	166.30	704.40
(b) Bank balances other than cash and cash equivalents	9	139.57	277.19
(c) Securities held for trading	10	50.29	59.48
(d) Trade receivables	11	19.64	19.63
(e) Loans	12	10,236.43	11,923.91
(f) Investments	13	1,540.98	957.91
(g) Other financial assets	14	38.96	665.57
		<u>12,192.17</u>	<u>14,608.09</u>
Non-financial assets			
(a) Current tax assets (net)	15	63.96	151.43
(b) Deferred tax assets (net)	16	117.06	162.64
(c) Property, plant and equipment	17	17.50	111.48
(d) Intangible assets under development	18	92.94	52.32
(e) Other intangible assets	19	0.77	4.00
(f) Other non-financial assets	20	158.22	94.87
		<u>450.45</u>	<u>576.74</u>
TOTAL ASSETS		<u>12,642.62</u>	<u>15,184.83</u>
LIABILITIES			
Financial liabilities			
(a) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		0.89	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		53.48	111.44
(b) Debt securities	22	2,804.43	2,923.81
(c) Borrowings (other than debt securities)	23	1,774.29	4,502.60
(d) Subordinated liabilities	24	2,153.18	2,119.04
(e) Other financial liabilities	25	673.75	512.51
		<u>7,460.02</u>	<u>10,169.40</u>
Non-financial liabilities			
(a) Current tax liabilities (net)	26	44.02	95.34
(b) Provisions	27	11.24	8.74
(c) Other non-financial liabilities	28	40.05	12.09
		<u>95.31</u>	<u>116.17</u>
Equity			
(a) Equity share capital	29	429.50	429.50
(b) Other equity	30	4,657.79	4,469.76
		<u>5,087.29</u>	<u>4,899.26</u>
TOTAL LIABILITIES AND EQUITY		<u>12,642.62</u>	<u>15,184.83</u>

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

1 to 61

As per our report of even date attached.

For G. D. Apte & Co.
Chartered Accountants
 ICAI Firm Registration Number : 100515W

per **Chetan R. Sapre**
Partner
 Membership no: 116952



Place : Mumbai
 Date : May 06, 2022

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

Shilpa Gattani
 Director
 DIN: 05124763

Phanindranath Kakarla
 Director
 DIN: C2076676

MD Tata
Mehernosh Tata
 Chief Executive Officer

Jignesh Gagliani
 Company Secretary



Edelweiss Retail Finance Limited
Statement of Profit and Loss for the year ended March 31, 2022
(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Revenue from operations			
Interest income	31	1,550.26	2,182.99
Dividend income		-	208.44
Fee and commission income	32	51.29	54.64
Net gain on fair value changes	33	162.20	12.74
Total revenue from operations		1,763.75	2,458.81
II. Other income	34	35.33	41.92
III. Total Income		1,799.08	2,500.73
IV. Expenses			
Finance costs	35	827.31	1,349.14
Impairment on financial instruments	36	(117.50)	354.61
Employee benefits expense	37	215.72	122.08
Depreciation, amortisation and impairment	17 & 19	34.67	41.29
Other expenses	38	584.87	304.01
Total expenses		1,545.07	2,171.13
V. Profit before tax		254.01	329.59
VI. Tax expenses:			
Current tax	39	23.73	115.35
(1) Current tax		29.52	137.87
(2) Short / (Excess) provision for earlier years		(5.79)	(22.52)
Deferred tax	39	45.59	(54.30)
VII. Profit for the year		184.69	268.55
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans	42	(0.39)	0.43
Less: Income tax relating to items that will not be reclassified to profit or loss	39	-	(0.11)
Other Comprehensive Income		(0.39)	0.32
Total Comprehensive Income		184.30	268.87
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic	41	4.30	6.26
(2) Diluted		4.30	6.26

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

1 to 61

As per our report of even date attached.

For C. D. Apte & Co.
Chartered Accountants

ICAI Firm Registration Number : 100515W

per Chetan R. Sapre
Partner

Membership no: 116952



Place: Mumbai
Date : May 06, 2022

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

Shilpa Gattani
Director
DIN: 05124763

Phanindranath Kakarla
Director
DIN: 02076676

MD Jata
Chief Executive Officer

Signed
Company Secretary



Edelweiss Retail Finance Limited

Statement of Changes in Equity for the year ended March 31, 2022

(Currency : Indian rupees in millions)

(a) Equity share capital

Particulars	Outstanding as on April 01, 2020	Issued during the year	Outstanding as on March 31, 2021	Issued during the year	Outstanding as on March 31, 2022
Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up)	429.50	0.00	429.50	0.00	429.50
Total	429.50	0.00	429.50	0.00	429.50

(b) Other Equity

Particulars	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, 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 profit on defined benefit plans	-	-	-	-	-	0.32	0.32
Total Comprehensive Income for the year	-	-	-	-	-	268.87	268.87
Transfers to / (from) retained earnings	-	-	-	53.72	(269.30)	215.58	(0.00)
Balance at March 31, 2021	8.18	3,112.08	5.94	315.86	67.84	959.86	4,469.76
Profit for the year	-	-	-	-	-	184.69	184.69
Remeasurement loss on defined benefit plans	-	-	-	-	-	(0.39)	(0.39)
Total Comprehensive Income for the year	-	-	-	-	-	184.30	184.30
Transfers from retained earnings	-	-	-	36.94	-	(36.94)	-
Transfers to retained earnings	-	-	-	-	-	-	-
Reversal of ESOPs charges on cancellation	-	-	-	-	-	3.73	3.73
Balance at March 31, 2022	8.18	3,112.08	5.94	352.80	67.84	1,110.95	4,657.79

As per our report of even date attached.

For G. D. Apte & Co.
Chartered Accountants

ICAI Firm Registration Number : 100515W

per Chetan R. Sapre
Partner
Membership no: 116952



Place : Mumbai
Date : May 06, 2022

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

Shilpa Gattani
Director
DIN: 05124763

Phanindranath Kakarla
Director
DIN: 02070676

MD Jata
Mehernosh Tata
Chief Executive Officer

Jignesh Gagliani
Company Secretary



Edelweiss Retail Finance Limited
Statement of Cash flows for the year ended March 31, 2022
(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	254.01	329.59
Adjustments for		
Depreciation, amortisation and impairment (refer note 17 & 19)	34.67	41.29
Impairment on financial instruments	(117.50)	354.61
Interest on lease liabilities	11.34	11.05
Interest on borrowings	(812.56)	(1,331.81)
ESOP and SAR cost reimbursement	6.69	3.12
Loss/(Gain) on sale of Property, plant and equipment	1.58	6.62
Operating cash flow before working capital changes	(621.76)	(585.52)
Add / (Less): Adjustments for working capital changes		
Decrease/(Increase) in Trade receivables	(0.01)	(7.16)
Decrease/(Increase) in stock in trade	9.19	82.54
Decrease/(Increase) in Loans (net)	1,804.98	3,365.47
Decrease/(Increase) in Other financial assets	764.23	(481.89)
Decrease/(Increase) in Investments	(583.07)	(486.68)
Decrease/(Increase) in Other non financial assets	(63.36)	(41.01)
Increase / (Decrease) in Trade payables	(60.02)	39.63
Increase / (Decrease) in Non financial liabilities and provisions	91.14	(5.53)
Increase / (Decrease) in Other financial liabilities	(100.78)	(26.13)
Cash generated from operations	1,240.53	1,853.72
Income taxes paid (net)	12.43	(31.21)
Net cash generated from operating activities - A	1,252.96	1,822.51
B Cash flow from investing activities		
Purchase of Property, plant and equipment and Intangible Assets	(0.75)	(0.16)
Decrease/(Increase) in Intangibles under development	(40.62)	(52.32)
Sale of Property, plant and equipment	0.63	4.44
Net cash used in investing activities - B	(40.74)	(48.04)
C Cash flow from financing activities		
Increase / (Decrease) in Debt Securities ¹	(100.01)	(2,044.81)
Increase / (Decrease) in Borrowings other than Debt Securities ¹	(2,720.41)	(3,002.67)
Increase / (Decrease) in Subordinate Debt	0.01	0.01
Repayment of lease obligation	(26.58)	(35.83)
Securitization liability	284.11	-
Interest on borrowings	812.56	1,331.81
Net cash used in financing activities - C	(1,750.31)	(3,751.49)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(538.10)	(1,977.02)
Cash and cash equivalent as at the beginning of the year (refer note 8)	704.40	2,681.42
Cash and cash equivalent as at the end of the year (refer note 8)	166.30	704.40
Cash flows from interest and dividend		
Interest paid	828.56	1,290.86
Interest received	1,624.01	2,126.03
Dividend received	-	208.44

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 40.
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.

1 to 61

As per our report of even date attached.

For G. D. Apte & Co.,
Chartered Accountants
ICAI Firm Registration Number : 100515W

per Chetan R. Sapre
Partner
Membership no: 116952



Place : Mumbai
Date : May 06, 2022

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

Shilpa Gattani
Shilpa Gattani
Director
DIN: 05124763

Phanindranath Kakarla
Phanindranath Kakarla
Director
DIN: 02076676

MD Tata
Mehernosh Tata
Chief Executive Officer

Jignesh Gagani
Jignesh Gagani
Company Secretary



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

1. Corporate Information:

Edelweiss Retail Finance Limited ('ERFL' or 'the Company') is 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 44 - 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 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.



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

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 III', 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 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 includes fee 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 / agreements and basis the probability of consideration collection.

3.1.4 Dividend Income

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

3.1.5. Other Income

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

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities except for loans and borrowings are initially recognised on the trade date, i.e. the date when Company becomes a party to the contractual provisions of the instrument. This includes regular ways of trade: purchase or sale 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 borrowing 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]



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

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

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

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

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

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

Financial assets carried at amortised cost (AC)

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

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

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

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

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The change 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 evidence of recent pattern of short-term profit is taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

3.3.2 Debt securities and other borrowed funds:

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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

3.3.3 Financial Guarantee:

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

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

3.3.4 Loan Commitments:

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

3.4 Reclassification of Financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes off, or terminates a business line. The Company has not reclassified 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 amount to the eventual recipients unless it has collected equivalent amount 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 flow 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.



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

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 expired. 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 in 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, 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. As ECL considers 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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

(12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

Company categorises its financial assets as follows:

Stage I Assets:

Stage I assets include financial instruments that did not have 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 II Assets:

Stage II Assets include financial instruments that have 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 III Assets:

Stage III Assets are considered credit-impaired, the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage II 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 loss on the uncancellable loan commitment is recognised together with the loss allowance for the financial asset.

The Company's product offering includes 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 ECL. 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 assessed on a daily basis.

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.



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

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

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

3.9 Write-Offs:

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

3.10 Forborne and modified loan:

The Company sometimes make 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, 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 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 II and Stage III 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 III 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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 Financial Instruments:

Those where the inputs that are used for valuation and are significant, are derived directly or indirectly from 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.



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Notes to the financial statement for the year ended March 31, 2022

Short term lease

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

Company as lessor:

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

3.13 Earnings Per Share:

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

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

3.14 Retirement and other employee benefit:

3.14.1 Provident fund and National Pension Scheme:

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

3.14.2 Gratuity:

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

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

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

3.14.3 Compensated Absences:

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

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



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

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

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

3.15 Property, Plant and Equipment (PPE):

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.



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Notes to the financial statement for the year ended March 31, 2022

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 of cash at banks and in 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.



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences arising 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 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 amount of assets, liabilities, incomes 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 I assets, or lifetime ECL for Stage II or Stage III assets. An asset moves to Stage II 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.



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

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 consideration 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.



Edelweiss Retail Finance Limited

Notes to the financial statement for the year ended March 31, 2022

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

4.7 Impairment of Non-Financial assets:

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

4.8 Provisions and contingent liabilities:

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

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

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

4.9 Provisions for Income Taxes:

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

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

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 hut 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, 2022 (Continued)
(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
8 Cash and cash equivalents		
Balances with banks		
- in current accounts	166.30	554.08
- in fixed deposits with original maturity less than three months	-	150.32
	166.30	704.40
9 Bank balances other than cash and cash equivalents		
Fixed deposits with original maturity more than three months and less than 12 months	117.56	253.85
Fixed deposits with original maturity more than 12 months	22.01	23.34
	139.57	277.19
9.1. Encumbrances on fixed deposits with bank held by the Company		
Given as credit enhancements towards securitisation	22.06	-
Given as margin against the bank guarantee issued in favour of BSE Limited towards public issuance of non convertible debentures.	-	22.79
Given as collateral against Bank overdraft	15.54	-
10 Securities held for trading		
At fair value through profit and loss account		
	As at March 31, 2022	As at March 31, 2021
	Face value Quantity Amount	Face value Quantity Amount
Debt Securities		
9.65% ECL Finance Limited 06.08.2023 Bonds	1,000 14,936 16.48	1,000 14,936 15.72
0.00% ECL Finance Limited 04.04.2022 Bonds	1,000 7,209 9.75	1,000 7,209 8.51
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	1,000 7,465 8.03	1,000 7,465 7.68
10.20% ECL Finance Limited 04.04.2022 Bonds	1,000 3,829 4.01	1,000 3,829 3.68
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 4.54	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 2.27	1,000 1,951 2.20
0.00% ECL Finance Limited 23.08.2022 Bonds	1,000 1,762 2.29	1,000 1,762 2.09
9.25% ECL Finance Limited 06-Aug-2023 Bonds	- - -	1,000 1,853 1.77
0.00% 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 0.79	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 0.29	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
0.00% ECL Finance Limited 23.05.2024 Bonds	1,000 3 0.00	1,000 3 0.00
10.60% ECL Finance Limited 04.01.2029 Bonds	1,000 1 0.00	1,000 1 0.00
9.25% ECL Finance Limited 06-Aug-2023 Bonds	1,000 1,853 1.83	- - -
Total Debt securities	50.29	59.18

Note: Please refer note 50.1 Fair Value measurement for valuation methodologies for securities held for trading.

	As at March 31, 2022	As at March 31, 2021
11 Trade receivables		
Trade receivables (Unsecured)		
Receivables considered good - non-related party	0.27	0.37
Receivables considered good - related party - (Refer note 46)	19.72	19.96
Receivables which have significant increase in credit risk	0.14	0.14
	20.13	20.47
Less : Allowance for expected credit losses	(0.49)	(0.84)
	19.64	19.63



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

Reconciliation of impairment allowance on trade receivables:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	(0.84)	(0.4)
(Add)/ Less: Change due to receivable balance/bucketing (net)	0.35	(0.70)
Impairment allowance - Closing Balance	(0.49)	(0.84)

Note: For disclosure relating to trade receivable ageing/ provision matrix, refer note 51

11(a) Trade Receivable Ageing Schedule

As at March 31, 2022

Particulars	Outstanding for March 31, 2022 [#]					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19.97	0.02	-	-	-	19.99
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.14	-	0.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Receivable (A)	19.97	0.02	-	0.14	-	20.13
(i) Undisputed Trade receivables – considered good	0.34	0.01	-	-	-	0.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.14	-	0.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL Provision on receivables (B)	0.34	0.01	-	0.14	-	0.49
Receivables net of provision = (A)-(B)	19.63	0.02	-	-	-	19.64

As at March 31, 2021

Particulars	Outstanding for March 31, 2021 [#]					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20.33	-	-	-	-	20.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.14	-	0.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Receivable (A)	20.33	-	-	0.14	-	20.47
(i) Undisputed Trade receivables – considered good	0.70	-	-	-	-	0.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.14	-	0.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL Provision on receivables (B)	0.70	-	-	0.14	-	0.84
Receivables net of provision = (A)-(B)	19.63	-	-	-	-	19.63

[#] Unbilled amount due of March 2022 is Nil (March 2021- Nil).



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
12 Loans (At amortised Cost)		
A. Term Loans		
(i) Retail loans	4,996.09	6,610.03
(ii) Wholesale loans	5,723.13	5,938.60
Total (A) - Gross	10,719.22	12,548.63
Less: Allowance for expected credit loss (including on loan commitment)	(482.79)	(624.72)
Total (A) - Net	10,236.43	11,923.91
B. Term Loans		
(i) Secured by tangible assets (refer note 49.1.2)	6,028.04	8,228.16
(ii) Unsecured	4,691.18	4,320.47
Total (B) - Gross	10,719.22	12,548.63
Less: Allowance for expected credit loss (including on loan commitment)	(482.79)	(624.72)
Total (B) - Net	10,236.43	11,923.91
C. Term Loans		
C.I Loans in India		
(i) Public Sectors	-	-
(ii) Others	10,719.22	12,548.63
Total (C.I) - Gross	10,719.22	12,548.63
Less: Allowance for expected credit loss (including on loan commitment)	(482.79)	(624.72)
Total (C.I) - Net	10,236.43	11,923.91
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)	10,236.43	11,923.91

- 12.1.** Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:
- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of Loan/Advance in the nature of Loan outstanding	% to the total loan and advance in the nature of loans	Amount of Loan/Advance in the nature of Loan outstanding	% to the total loan and advance in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related Parties:				
ECL Finance Limited	-	-	2000	17%
Total	-	-	2000	17%



12.2. 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 49.1 and policies on ECL allowances are set out in Note 3.6. Refer note 49.1.3 for modified and forborne loans.

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

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	7,469.23	-	-	7,469.23	7,686.17	-	-	7,686.17
Standard grade	-	3,001.94	-	3,001.94	-	3,301.29	-	3,301.29
Non-performing								
Impaired*	-	-	248.05	248.05	-	-	1,561.17	1,561.17
Total	7,469.23	3,001.94	248.05	10,719.22	7,686.17	3,301.29	1,561.17	12,548.63

* Total number of borrowers as on 31st March 2022 are 102 borrowers.

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

Particulars	Non-credit impaired		Credit impaired		Total	
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
For the year ended March 31, 2022						
Opening Balance	7,686.17	94.41	3,301.29	247.31	1,561.17	279.81
Transfers:						
Transfers to 12 Month ECL (Stage I)	1,212.85	115.10	(814.61)	(57.25)	(398.24)	(57.85)
Transfers to lifetime ECL (Stage II)	(333.88)	(3.00)	772.91	83.89	(439.03)	(80.90)
Transfers to lifetime ECL - Credit impaired (Stage III)	(179.69)	(1.82)	(24.97)	(4.31)	204.65	6.13
Remeasurement of ECL arising from transfer of stage (net)		(86.08)		59.16		24.02
Net new and further lending/ (repayments)	(867.57)	(72.68)	(207.83)	74.99	(224.03)	(58.18)
Amounts written off	(48.64)	(5.71)	(24.85)	(14.19)	(6.01)	(3.25)
Loan sold to Asset Reconstruction Company Trust and AIF	-	-	-	-	(450.46)	(56.97)
Closing Balance	7,469.23	40.22	3,001.94	389.61	248.05	52.81
For the year ended March 31, 2021						
Opening Balance	12,442.48	88.65	3,312.94	328.81	381.38	75.20
Transfers:						
Transfers to 12 Month ECL (Stage I)	70.48	11.62	(68.50)	(10.07)	(1.98)	(1.54)
Transfers to lifetime ECL (Stage II)	(646.69)	(9.72)	658.44	17.94	(11.76)	(8.22)
Transfers to lifetime ECL - Credit impaired (Stage III)	(1,171.19)	(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
Net new and further lending/ (repayments)	(2,952.34)	26.42	252.64	(2.15)	20.98	176.48
Amounts written off	(56.57)	(8.51)	(92.15)	(45.89)	(15.87)	(12.41)
Loan sold to Asset Reconstruction Company Trust	-	-	(520.65)	(86.88)	(224.21)	(27.17)
Closing Balance	7,686.17	94.41	3,301.29	247.31	1,561.17	279.81

Notes:

- Contractual outstanding amount is written off.
- Changes in loss allowance is due to change in portfolio composition and movement in loan outstanding as the year end.



12.3. 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, 2022				As at March 31, 2021			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	55.55	-	-	55.55	17.00	-	-	17.00
Standard grade	-	-	-	-	-	42.38	-	42.38
Substandard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	0.04	0.04	-	-	-	-
Total	55.55	-	0.04	55.59	17.00	42.38	-	59.38

(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		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, 2022								
Opening Balance	17.00	0.49	42.38	2.70	-	-	59.38	3.19
Transfers:								
Transfers to 12 Month ECL (Stage I)	34.89	-	(34.89)	-	-	-	-	-
Transfers to lifetime ECL (Stage II)	(0.54)	-	0.54	-	-	-	-	-
Transfers to lifetime ECL - Credit impaired (Stage III)	-	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-	-
Net new sanctions and (disbursement)	4.20	(0.35)	(8.03)	(2.70)	0.04	-	(3.79)	3.15
Closing Balance	55.55	0.14	-	-	0.04	-	55.59	0.14
For the Year Ended March 31, 2021								
Opening Balance	155.16	0.13	-	-	-	-	155.16	0.13
Transfers:								
Transfers to 12 Month ECL (Stage I)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage II)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL - Credit impaired (Stage III)	-	-	-	-	-	-	-	-
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



13 Investments

As at March 31, 2022		At fair value					
Particulars	At Amortised cost (1)	Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (6)	Total (7) = (1+5+6)
Security receipts	-	-	1,246.14	-	1,246.14	-	1,246.14
Units of AIF	-	-	300.76	-	300.76	-	300.76
Total - Gross (A)	-	-	1,546.90	-	1,546.90	-	1,546.90
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,546.90	-	1,546.90	-	1,546.90
Total (B)	-	-	1,546.90	-	1,546.90	-	1,546.90
Less: Allowance for impairment (C)	-	-	(5.92)	-	(5.92)	-	(5.92)
Total Net (A-C)	-	-	1,540.98	-	1,540.98	-	1,540.98

As at March 31, 2021		At fair value					
Particulars	At Amortised cost (1)	Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (6)	Total (7) = (1+5+6)
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

Note:

During the year ended March 31, 2022, the Company sold financial assets amounting to Rs. 370.80 million (net of losses & provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 315.48 million 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 Securities Limited (EFSL), the holding Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in the Company's financial result.

13.1 Investments Details

	As at March 31, 2022			As at March 31, 2021		
	Face Value/ NAV	Quantity	Amount	Face Value/ NAV	Quantity	Amount
Security receipts						
EARC Trust SC 373	432.16	2,25,250	97.35	722.37	2,25,250	62.71
EARC Trust SC 385	653.96	2,76,590	180.88	895.72	2,76,590	247.75
EARC Trust SC 416	989.33	1,52,065	150.44	-	-	-
Omkara PS 04 Trust	978.50	2,75,506	269.58	921.51	3,23,000	297.65
Omkara PS34/2021-22	1000.00	63,920	63.92	-	-	-
EARC Trust SC - 378	504.29	22,780	11.49	-	-	-
EARC Trust SC 374	727.74	63,106	45.93	-	-	-
EARC Trust SC 417	877.72	3,65,925	321.18	-	-	-
CFMARC Trust - 94	1000.00	99,450	99.45	-	-	-
			1,240.22			738.11
Units of AIF						
Real Estate Credit Opportunities Fund II	9917.09	22,400	222.14	10000.00	22,400	224.00
LICHFL Housing & Infrastructure Fund	100.00	7,86,180	78.62	100.00	2,58,000	25.80
			300.76			249.80
			1,540.98			957.91



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
14 Other financial assets (unsecured, considered good)		
Security Deposits	13.96	56.69
Advances to others	23.93	538.69
Deposits- others	0.10	0.09
Margin placed with broker	0.97	70.10
	38.96	665.57
15 Current tax assets (net)		
Advance income taxes (net of provision for tax Rs. 86.23 million, previous year Rs. 176.42 million)	63.96	151.43
	63.96	151.43
16 Deferred tax assets (net)		
Deferred tax assets		
<u>Loans</u>		
Provision for expected credit loss	121.51	149.92
Unamortised processing fees - EIR on lending	6.00	6.54
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	10.03	9.97
<u>Employee benefit obligations</u>		
Provision for compensated absences	0.64	0.18
Disallowances under section 43B of the Income Tax Act, 1961	0.01	9.57
<u>Lease liability</u>	4.06	27.91
<u>Others</u>	8.67	20.17
	150.92	224.26
Deferred tax liabilities		
<u>Investments and other financial instruments</u>		
Unamortised loan origination costs - EIR on lending	5.77	7.60
Recognition of Interest Strip on assignment deals	13.44	13.74
Accrued Interest on Stage III receivables	-	0.24
<u>Borrowings</u>		
Effective interest rate on financial liabilities	11.37	14.35
<u>Right-of-use Asset (ROU)</u>	3.28	25.69
	33.86	61.62
	117.06	162.64

Note: For disclosure relating to movement in deferred tax assets / liabilities, refer note 39.3.



17 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at April 01, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 01, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Property, Plant and Equipment									
Land*	0.37	-	-	0.37	-	-	-	-	0.37
Leasehold improvements	8.56	0.32	4.99	3.89	5.77	1.55	4.07	3.25	0.64
Furniture and Fixtures	4.08	0.02	1.70	2.40	2.36	0.40	1.13	1.63	0.77
Vehicles	-	-	-	-	-	-	-	-	-
Office equipment	7.55	0.11	2.92	4.74	6.19	0.53	2.57	4.15	0.59
Computers	23.78	0.30	6.96	17.12	20.69	0.94	6.59	15.04	2.08
Right-of-use Asset (ROU)	180.67	37.34	98.42	119.59	78.52	28.02	-	106.54	13.05
Total	225.01	38.09	114.99	148.11	113.53	31.44	14.36	130.61	17.50

18 Intangible Assets Under Development

(i) Intangible Assets Under Development Ageing Schedule:-

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of March 31, 2022				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in progress					
Digital Lending Platform (DLP)*	40.62	52.32	-	-	92.94
Total	40.62	52.32	-	-	92.94

(ii) For Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan, refer below schedule:-

Intangible Assets Under Development	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Digital Lending Platform (DLP)*	125.00	-	-	-	125.00
Total	125.00	-	-	-	125.00

Note:

* The company is developing a Digital Lending Platform (DLP) for automation of retail loan origination process. The original projected cost of the software was estimated at Rs. 95.00 million with a variation of 10%. During the development phase, Co- Lending Model (CLM) module was identified as an additional module for development, accordingly the project cost is revised and estimated to be Rs. 125 million. Further, timeline for completion of the project is also revised and expected to be completed by FY 2023

19 Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 01, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 01, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Other Intangible Assets									
Software	15.78	-	-	15.78	11.78	3.23	-	15.01	0.77
Total	15.78	-	-	15.78	11.78	3.23	-	15.01	0.77

Note:

* Charged against secured/redeemable non-convertible debentures



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
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17 Property, Plant and Equipment (Previous Year)

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	Disposals during the year	As at March 31, 2021	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	8.18	5.77	2.79
Furniture and Fixtures	9.43	0.05	5.40	4.08	4.44	1.07	3.15	2.36	1.72
Vehicles	3.46	-	3.46	-	2.31	0.07	2.38	-	-
Office equipment	20.49	-	12.94	7.55	14.34	2.03	10.18	6.19	1.36
Computers	26.02	0.11	2.35	23.78	20.47	2.26	2.04	20.69	3.09
Right-of-use Asset (ROU)	165.85	89.26	74.44	180.67	49.95	28.57	-	78.52	102.15
Total	247.02	89.42	111.43	225.01	102.13	37.33	25.93	113.53	111.48

18 Intangible Assets Under Development

(i) Intangible Assets Under Development Ageing Schedule:-

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of March 31, 2021				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in progress					
Digital Lending Platform (DLP)*	52.32	-	-	-	52.32
Total	52.32	-	-	-	52.32

(ii) For Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan, refer below schedule:-

Intangible Assets Under Development	To be completed in				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Digital Lending Platform (DLP)*	-	-	-	-	-
Total	-	-	-	-	-

19 Other Intangible Assets (Previous Year)

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	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Other Intangible Assets									
Software	15.78	-	-	15.78	7.82	3.96	-	11.78	4.00
Total	15.78	-	-	15.78	7.82	3.96	-	11.78	4.00

Note:

*Charged against secured redeemable non-convertible debentures



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
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	As at March 31, 2022	As at March 31, 2021
20 Other non-financial assets		
Input tax credit (Goods and Services Tax)	110.71	61.08
Control Accounts	0.11	-
Prepaid expenses	23.41	28.81
Advances to vendors	23.75	4.59
Advances to employees	0.24	0.39
	158.22	94.87

21 Trade Payables

Trade payables to non-related parties	42.86	103.44
Trade payables to related parties (Refer note 46)	11.51	8.00
	54.37	111.44
Note:		
(i) Total outstanding dues to creditors other than micro enterprises and small enterprises	53.48	111.44
(ii) Total outstanding dues of micro enterprises and small enterprises	0.89	-

Trade Payables includes Rs.0.89 million (Previous Year Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the company during the year to "Suppliers" registered under this Act is Rs.0.06 million (Previous year: Nil). The aforementioned is based on the responses received by the company to its inquiries with suppliers with regard to applicability under the said Act.

21.1 Trade Payable Ageing :-

As at March 31, 2022

Particulars	Outstanding for March 31, 2022 [#]				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	0.89	-	-	-	0.89
(ii) Others	47.83	1.22	2.72	1.71	53.48
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	48.72	1.22	2.72	1.71	54.37

As at March 31, 2021

Particulars	Outstanding for March 31, 2021 [#]				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	106.71	2.77	0.83	1.13	111.44
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	106.71	2.77	0.83	1.13	111.44

[#] Unbilled amount due of March 2022 is **Rs. 31.18 million** (March 2021- Rs.14.87 million).

22 Debt securities (In India)

(At amortised cost)

	As at March 31, 2022	As at March 31, 2021
Non-convertible redeemable debentures (Secured)		
Privately placed non-convertible debentures	1,040.74	1,166.27
Publicly placed non-convertible debentures	1,763.69	1,757.54
	2,804.43	2,923.81

Note: For disclosure relating to repayment and other terms, refer note 53



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
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	As at March 31, 2022	As at March 31, 2021
23 Borrowings other than debt securities (In India) (At amortised cost)		
Term Loan (secured)		
From Banks	1,101.59	3,012.33
From Financial Institution (SIDBI)	298.59	840.13
Note: For disclosure relating to repayment and other terms, refer note 52	1,400.18	3,852.46
Bank overdraft (Secured)	374.11	490.27
[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-22: 7.95% - 11.55%, March-21: 8.30% - 10.85%)		
Loan from related parties (Unsecured)	-	9.87
Repayable on demand (Interest rate range, March-22: 11.41% - 13.90%, March-21: 11.39% - 13.05%)		
Working capital demand loan (WC DL)	-	150.00
[Secured by charge on receivables from financing business] WC DL is in nature of short term loan. (Interest rate range, March-22: 7.75% - 8.90%, March-21: 8.30% - 8.90%)	374.11	650.14
	1,774.29	4,502.60
23(a) Wilful Defaulter		
The company is not declared as a wilful defaulter by any bank or financial Institution or other lender.		
23(b) Compliance to the borrower's terms & periodical filing of statements of current assets		
Company has borrowings from banks or financial institutions on the basis of security of current assets as mentioned in Note 23 above		
(i) Company has filed quarterly returns or statements of current assets in timely manner and are in agreement with the books of		
(ii) There are no material discrepancies in quarterly returns or statements filled.		
24 Subordinated liabilities (In India) (At amortised cost)		
Non-convertible subordinated debentures	1,694.54	1,660.46
Non-convertible perpetual debentures	458.64	458.58
Note: For disclosure relating to repayment and other terms, refer note 54 & 55	2,153.18	2,119.04
25 Other financial liabilities		
Securitisation liability	284.11	-
Investor payable on assigned loans	164.04	328.13
Lease liabilities	16.12	110.87
Payable to employees	47.17	30.74
Bank overdraft	41.11	-
Debenture application money received pending allotment	0.13	0.11
Other payable	121.07	42.66
	673.75	512.51



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Notes to the financial statements for year ended March 31, 2022 (Continued)
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	As at March 31, 2022	As at March 31, 2021
26 Current tax liabilities (net)		
Provision for taxation (net of advance tax Rs. 528.31 million, previous year Rs. 363.67 million)	44.02	95.34
	<u>44.02</u>	<u>95.34</u>
27 Provisions		
Provision for employee benefits (refer note 43)		
Gratuity	8.71	8.01
Compensated leave absences	2.53	0.73
	<u>11.24</u>	<u>8.74</u>
28 Other non-financial liabilities		
Revenue received in advance	0.06	0.01
Payable to others	8.16	0.70
Payable to related party (refer note 46)	0.66	3.12
Statutory dues payable	31.17	8.26
	<u>40.05</u>	<u>12.09</u>



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
29 Equity share capital		
Authorised :		
5,00,00,000 (Previous year: 5,00,00,000) equity shares of Rs.10 each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
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
	<u>429.50</u>	<u>429.50</u>

(a) Movement in share capital :

Particulars	As at March 31, 2022		As at March 31, 2021	
	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 Promoters/holding/ultimate holding company and/or their subsidiaries

Particulars	% Change during the year	As at March 31, 2022		As at March 31, 2021	
		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)	22.57%	-	-	96,91,667	22.57%
Edel Finance Company Limited (Fellow subsidiary)	-	30,00,000	6.98%	30,00,000	6.98%
Edel Land Limited (Fellow subsidiary)*	22.57%	96,91,667	22.57%	-	-
	-	<u>4,29,50,000</u>	<u>100.00%</u>	<u>4,29,50,000</u>	<u>100.00%</u>

*On June 9, 2021 Edelweiss Financial Services Limited has transferred 96,91,667 equity shares of the company to Edel Land Limited resulting to change of shareholding of the company.

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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
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	As at March 31, 2022	As at March 31, 2021
30 Other Equity		
Capital reserve	8.18	8.18
Securities premium	3,112.08	3,112.08
Statutory reserve under section 45-IC	352.80	315.86
Debenture redemption reserve	67.84	67.84
Deemed capital contribution - Equity	5.94	5.94
Retained earnings	1,110.96	959.86
	4,657.79	4,469.76

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

30.1. 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, 2022 (Continued)
(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
31 Interest Income (at amortised cost)		
Interest on Loans	1,492.00	2,068.47
On loans and Credit substitutes	1,190.28	1,784.98
On Loan to subsidiary companies (for finance company)	301.72	283.49
Interest income on securities held for trading	6.17	22.97
Interest on deposits with bank	10.79	24.86
Other interest income on direct assignment	41.30	66.69
	<u>1,550.26</u>	<u>2,182.99</u>
32 Fee and commission income		
Fee and commission income	51.29	54.64
	<u>51.29</u>	<u>54.64</u>
33 Net gain on fair value changes		
On trading portfolio		
Profit / (loss) on trading of securities (FVTPL)	158.94	18.51
Profit on sale of mutual fund units (FVTPL)	3.26	-
Profit & Loss on trading in Futures & Options (FVTPL)	-	(0.02)
On Others		
Gain on buy back of debt securities (at amortised cost)	-	0.17
Gain / (loss) on Security Receipts	-	(5.92)
	<u>162.20</u>	<u>12.74</u>
34 Other income		
Other non operating income	35.33	41.92
	<u>35.33</u>	<u>41.92</u>



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
35 Finance costs (at amortised cost)		
Interest on borrowings	352.25	677.22
Interest on debt securities	255.19	453.40
Interest on subordinated liabilities	205.12	201.19
Other interest expense (including bank charges)	3.41	6.28
Interest on lease liabilities	11.34	11.05
	<u>827.31</u>	<u>1,349.14</u>
36 Impairment on financial instruments		
Loss on sale of loan assets sold to assets reconstruction company (trust)	35.89	45.35
Bad- debts and advances written off	(9.08)	148.62
Provision for expected credit loss (at amortised cost) (including on loan commitments)	(144.31)	160.64
	<u>(117.50)</u>	<u>354.61</u>
37 Employee benefit expenses		
Salaries and wages	197.23	110.71
Contribution to provident and other funds	7.80	2.95
Gratuity expense (refer note 43)	1.99	2.27
Share based payments to employees (Refer note below)	2.96	3.12
Staff welfare expenses	5.74	3.03
	<u>215.72</u>	<u>122.08</u>

Note:

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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
38 Other expenses		
Advertisement and business promotion	280.05	68.60
Commission and brokerage	4.46	8.83
Communication	2.91	2.96
Directors' sitting fees	0.48	0.58
Legal and professional fees	62.85	105.65
Printing and stationery	0.77	0.86
Rent, Rates and taxes (net of recovery)	(2.84)	(57.03)
Repairs and maintenance	1.18	2.26
Computer expenses	8.40	7.97
Corporate social responsibility (refer note 38.2)	7.00	7.86
Rating support fees	0.06	0.11
Office expenses	11.50	43.18
Postage and courier	1.06	0.62
Goods & Service tax expenses	41.88	34.24
Stamp duty	1.34	1.33
Auditors' remuneration (refer note 38.1)	3.41	2.82
Travelling and conveyance	3.34	1.09
Miscellaneous expenses	131.44	23.15
Loan origination costs amortised	25.58	48.93
	584.87	304.01
38.1 Auditors' remuneration		
As an Auditor		
Statutory Audit	0.96	0.65
Limited Review	1.35	1.05
Certification	1.08	1.08
Towards reimbursement of expenses	0.02	0.04
	3.41	2.82
38.2 Details of CSR Expenditure:		
As per the provisions of Section 135 of Companies Act 2013		
(a) Amount required to be spent by the company during the year	7.00	7.86
(b) Amount of expenditure incurred	7.00	17.93
Amount spent (paid in cash)	-	-
(i) Construction/ Acquisition of any assets	-	-
(ii) For purpose other than (i) above	7.00	17.93
Amount to be spent (yet to be paid in cash)	-	-
(i) Construction/ Acquisition of any assets	-	-
(ii) For purpose other than (i) above	-	-
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not Applicable	Not Applicable
(f) Details of related party transactions	-	-
Name of Related Party	Edelgive Foundation	
Relationship	Fellow Subsidiary	
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-
(h) Nature of CSR activities		
For the year ended March, 31 2022 and March, 31 2021		
Education Working to enhance child learning through work with system and community and support to the development of contextual literature for children		



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39 Income tax

39.1. The components of income tax expense:

	For the period ended March 31, 2022	For the period ended March 31, 2021
Current tax	29.52	137.87
Short/(excess) provision for earlier years	(5.79)	(22.52)
Deferred tax	45.59	(54.30)
Total tax charge	69.32	61.05
Current tax	23.73	115.35
Deferred tax	45.59	(54.30)

39.2 Reconciliation of total tax charge

	For the period ended March 31, 2022	For the period ended March 31, 2021
Accounting profit before tax as per financial statements	254.01	329.59
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	63.93	82.95
Short/(excess) provision for earlier years	(5.79)	(22.52)
Effect of non-deductible expenses:		
Others	11.18	0.62
Tax charge for the year recorded in P&L	69.32	61.05
Effective tax rate	27.29%	18.52%



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Notes to the financial statements for year ended March 31, 2022 (Continued)
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39 Income tax

39.3. 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, 2022						
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	149.92	(28.41)	-	-	(28.41)	121.51
Retirement Benefits	9.75	(9.10)	-	-	(9.10)	0.65
Difference between book and tax WDV (including intangibles)	9.97	0.06	-	-	0.06	10.03
Lease liability	27.91	(23.85)	-	-	(23.85)	4.06
Others	20.17	(11.50)	-	-	(11.50)	8.67
Effective interest rate on financial assets	(1.06)	1.29	-	-	1.29	0.23
Deferred Tax Liabilities						
Stage III Income recognition	(0.24)	0.24	-	-	0.24	-
Interest spread on assignment transactions	(13.74)	0.30	-	-	0.30	(13.44)
Effective interest rate on financial Liabilities	(14.35)	2.98	-	-	2.98	(11.37)
Right-of-use Asset (ROU)	(25.69)	22.41	-	-	22.41	(3.28)
Total	162.64	(45.58)	-	-	(45.58)	117.06
For the year ended March 31, 2021						
Deferred taxes in relation to:						
Deferred Tax Assets						
Provision for expected credit loss	124.03	25.89	-	-	25.89	149.92
Retirement Benefits	0.34	9.52	(0.11)	-	9.41	9.75
Difference between book and tax WDV (including intangibles)	7.39	2.58	-	-	2.58	9.97
Lease liability	35.06	(7.15)	-	-	(7.15)	27.91
Others	0.04	20.13	-	-	20.13	20.17
Deferred Tax Liabilities						
Effective interest rate on financial assets	(4.65)	3.59	-	-	3.59	(1.06)
Stage III Income recognition	(0.24)	-	-	-	-	(0.24)
Interest spread on assignment transactions	(3.68)	(10.06)	-	-	(10.06)	(13.74)
Effective interest rate on financial Liabilities	(20.67)	6.32	-	-	6.32	(14.35)
Right-of-use Asset (ROU)	(29.17)	3.48	-	-	3.48	(25.69)
Total	108.45	54.30	(0.11)	-	54.19	162.64



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency: Indian rupees in millions)

40 Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	As at April 01, 2021	Cash Flows	Changes in Fair value	Others*	As at March 31, 2022
Debt Securities	2,923.81	(100.01)	-	(19.37)	2,804.43
Borrowings other than Debt Securities	4,502.60	(2,720.40)	-	(7.91)	1,774.29
Subordinated Liabilities	2,119.04	0.01	-	34.13	2,153.18
Securitization liability	-	-	-	284.11	284.11
	9,545.45	(2,820.40)	-	290.96	7,016.01

Particulars	As at April 01, 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
Securitization liability	-	-	-	-	-
	14,527.24	(5,047.48)	-	65.69	9,545.45

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



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Notes to the financial statements for year ended March 31, 2022 (Continued)
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41. 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, 2022	For the year ended March 31, 2021
Net Profit attributable to Equity holders of the Company - A	184.69	268.55
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	42.95	42.95
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	42.95	42.95
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	42.95	42.95
Nominal value of equity shares	10.00	10.00
Basic and diluted earnings per share (in rupees) (A/B)	4.30	6.26

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.

42. Contingent Liability and Commitment:

(a) Contingent Liability

	As at March 31, 2022	As at March 31, 2021
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 material adverse effect on the Company's financial position and results of operations.

(b) Commitment:

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account	16.95	9.82
Loan sanctioned pending disbursements	55.59	59.38
AIF Fund pending commitments	127.31	174.20



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Notes to the financial statements for year ended March 31, 2022 (Continued)
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43. 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, 2022 Rs. 8.98 millions (March 31, 2021 : Rs 4.69 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, 2022. 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, 2022	As at March 31, 2021
Present value of defined benefit obligations (A)	8.71	8.01
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	8.71	8.01
Net deficit / (assets) are analysed as:		
Liabilities	8.71	8.01
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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(i) Present value of defined benefit obligations (opening)	8.01	1.09	-	-	8.01	1.09
Current service cost	1.60	1.87	-	-	1.60	1.87
Past service cost	-	-	-	-	-	-
Interest cost	0.39	0.40	-	-	0.39	0.40
	10.00	3.36	-	-	10.00	3.36
(ii) Other comprehensive Income						
Remeasurement Actuarial loss (gain) arising from :						
Experience	(0.08)	(0.24)	-	-	(0.08)	(0.24)
Financial assumptions	(0.32)	0.23	-	-	(0.32)	0.23
Expected return from plan assets	0.79	(0.42)	-	-	0.79	(0.42)
	0.39	(0.43)	-	-	0.39	(0.43)
(iii) Others						
Transfer In/ (Out)	(0.20)	6.19	-	-	(0.20)	6.19
Contributions by Employer	-	-	-	-	-	-
Benefits paid	(1.48)	(1.11)	-	-	(1.48)	(1.11)
	(1.68)	5.08	-	-	(1.68)	5.08
(iv) Closing Balance (i) + (ii) + (iii)	8.71	8.01	-	-	8.71	8.01
Represented by						
Net defined benefit asset	-	-	-	-	-	-
Net defined benefit liability	-	-	-	-	8.71	8.01



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Notes to the financial statements for year ended March 31, 2022 (Continued)
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Components of defined benefit plan cost:

	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Recognised in Statement of profit or loss		
Current service cost	1.60	1.87
Interest cost	0.39	0.40
Expected return on plan assets	-	-
Past service cost	-	-
	1.99	2.27
(ii) Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	0.39	(0.45)
Return on plan assets excluding net interest	-	-
	0.39	(0.45)
Total (i) + (ii)	2.38	1.82

Actuarial assumptions:

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

	As at March 31, 2022	As at March 31, 2021
Discount Rate	5.90%	5.00%
Salary Growth Rate	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	16.00%	25.00%
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	4 Years	3 Years

Sensitivity analysis:

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	0.57	(0.53)	0.38	(0.36)
Discount Rate (+/- 1%)	(0.53)	0.59	(0.36)	0.39
Withdrawal Rate (+/- 1%)	(0.03)	0.03	(0.03)	0.03
Mortality (increase in expected lifetime by 1 year)		0.00		0.00
Mortality (increase in expected lifetime by 3 year)		0.00		0.00

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

Asset liability comparisons:

	As at March 31, 2022	As at March 31, 2021
Present value of DBO	8.71	8.01
Fair Value of Plan assets	-	-
Net (Assets)/Liability	8.71	8.01

(c) Compensated absences :

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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
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44. 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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	166.30	-	166.30	704.40	-	704.40
Bank balances other than cash and cash equivalents	139.57	-	139.57	277.19	-	277.19
Securities held for trading	50.29	-	50.29	59.48	-	59.48
Trade receivables	19.64	-	19.64	19.63	-	19.63
Loans	6,495.39	3,741.04	10,236.43	5,767.72	6,156.19	11,923.91
Investments	-	1,540.98	1,540.98	-	957.91	957.91
Other financial assets	25.00	13.96	38.96	457.00	208.57	665.57
Non-financial assets						
Current tax assets (net)	-	63.96	63.96	150.73	0.70	151.43
Deferred tax assets (net)	-	117.06	117.06	-	162.64	162.64
Property, Plant and Equipment	-	17.50	17.50	-	111.48	111.48
Intangible assets under development	-	92.94	92.94	-	52.32	52.32
Other Intangible assets	-	0.77	0.77	-	4.00	4.00
Other non-financial assets	47.51	110.71	158.22	33.78	61.09	94.87
Total Assets	6,943.71	5,698.91	12,642.62	7,469.93	7,714.90	15,184.83
Financial Liabilities						
Trade payables	54.37	-	54.37	111.44	-	111.44
Debt securities	1,928.83	875.60	2,804.43	183.01	2,740.80	2,923.81
Borrowings (other than debt securities)	1,774.29	-	1,774.29	3,093.43	1,409.17	4,502.60
Subordinated Liabilities	73.75	2,079.43	2,153.18	73.69	2,045.35	2,119.04
Other financial liabilities	637.37	36.38	673.75	430.26	82.25	512.51
Non-financial liabilities						
Current tax liabilities (net)	44.02	-	44.02	95.34	-	95.34
Provisions	11.24	-	11.24	8.74	-	8.74
Other non-financial liabilities	40.05	-	40.05	12.09	-	12.09
Total Liabilities	4,563.92	2,991.41	7,555.33	4,008.00	6,277.57	10,285.57
Net	2,379.79	2,707.50	5,087.29	3,461.93	1,437.33	4,899.26



Edelweiss Retail Finance Limited

Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

45. Segment reporting

The Company 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.

46. Related Party Disclosures

(i) List of related parties and relationship:

Name of related parties by whom control is exercised	Edelweiss Financial Services Limited- Ultimate holding Company Edecap Securities Limited (Holding company)	
Fellow Subsidiaries (with whom transactions have taken place)	ECL Finance Limited Edel Finance Company Limited Edelweiss Investments Limited Edel Land Limited (Formerly known as Ecap Equities 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) Ms. Shilpa Gattani (wef February 6, 2020) Mr. Shrikant Subbarayan (upto Aug 12, 2020) Mr. Phanindranath Kakarla (wef Sep 15, 2020) Mr. Deepak Mundra (wef Sep 15, 2020 upto Oct 13, 2021) Mr. Mitul Shah (upto Feb 19, 2021) Mr. Sunil Phatarphekar (wef Apr 12, 2020) Dr. Vinod Juneja (wef May 15, 2021) Mr. Mehmosh Tata (wef Jul 3, 2020) Mr. Shailendra Dhupiya (wef Jul 3, 2020 upto Feb 28, 2022) Mr. Amit Pandey (wef Aug 24, 2019 upto Aug 4, 2021) Mr. Jignesh Gaglani (wef Aug 4, 2021)	Non Executive Director Non Executive Director Non Executive Director Non Executive Director Non Executive Director Independent Director Independent Director Independent Director (Additional Director) Chief Executive Officer Chief Financial Officer Company Secretary Company Secretary

(ii) Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Capital Account Transactions:			
Loans taken from	<i>Maximum transaction during the year</i>		
	Edelweiss Rural & Corporate Services Limited	960.00	-
	ECL Finance Limited	790.00	1,300.00
	Edelweiss Housing Finance Limited	2,500.00	4,900.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	1,400.00
	<i>Volume of transactions during the year</i>		
	Edelweiss Rural & Corporate Services Limited	1,740.00	-
	ECL Finance Limited	879.16	1,000.00
	Edelweiss Housing Finance Limited	6,500.00	20,830.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	2,400.00



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)
46. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans repaid to	<i>Maximum transaction during the year</i>		
	Edelweiss Rural & Corporate Services Limited	960.00	-
	ECL Finance Limited	790.00	1,000.00
	Edelweiss Housing Finance Limited	2,500.00	4,000.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	1,400.00
	<i>Volume of transactions during the year</i>		
	Edelweiss Rural & Corporate Services Limited	1,740.00	-
	ECL Finance Limited	879.16	1,000.00
	Edelweiss Housing Finance Limited	6,500.00	20,830.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	2,400.00
Loans given to	<i>Maximum transaction during the year</i>		
	Edelweiss Housing Finance Limited	250.00	-
	ECL Finance Limited	2,000.00	1,500.00
	Edelweiss Rural & Corporate Services Limited	2,640.00	250.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	2,200.00
	Edelcap Securities Limited	-	2,410.00
	<i>Volume of transactions during the year</i>		
	Edelweiss Housing Finance Limited	250.00	-
	ECL Finance Limited	7,640.00	2,035.00
	Edelweiss Rural & Corporate Services Limited	11,530.00	250.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	4,397.00
	Edelcap Securities Limited	-	2,610.00
Loans repaid by	<i>Maximum transaction during the year</i>		
	Edelweiss Housing Finance Limited	130.00	13.00
	ECL Finance Limited	2,710.00	35.00
	Edelweiss Rural & Corporate Services Limited	1,750.00	2,400.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	2,410.00
	Edelcap Securities Limited	-	1,370.00
	<i>Volume of transactions during the year</i>		
	Edelweiss Housing Finance Limited	250.00	13.00
	ECL Finance Limited	9,560.00	70.00
	Edelweiss Rural & Corporate Services Limited	8,060.00	2,400.00
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	4,397.00
	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	282.82	1,769.67
Securities Purchase	Edelweiss Rural & Corporate Services Limited	-	0.08
	ECL Finance Limited	-	36.77
	Edelweiss Housing Finance Limited	378.65	-
Bonds sold to	ECL Finance Limited	-	102.02
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	132.78
Redemption of Non convertible debenture held by (Face Value)	Edelweiss Housing Finance Limited	-	250.00
Redemption of Non convertible debenture held in (Face value)	ECL Finance Limited	11.04	-
	Edelweiss Housing Finance Limited	0.13	-
Loan sale to ARC	Edelweiss Asset Reconstruction Company Limited (EARC Trusts)	178.86	5.90
Investment in Security Receipt issued by	Edelweiss Asset Reconstruction Company Limited EARC Trust SC 416	152.07	-



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency :Indian rupees in millions)

46. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Account Transactions:			
Shared premises cost received from (net)	ECL Finance Limited	0.90	46.60
	Edelweiss Housing Finance Limited	8.66	23.97
	Edelweiss Asset Reconstruction Company Limited	-	0.37
	Edelweiss Financial Services Limited	-	0.14
	Edelweiss Broking Limited	-	0.18
	Edelweiss Asset Management Limited	0.18	0.09
	Edelweiss Rural & Corporate Services Limited	0.10	-
Interest income on loan to	Edelweiss Housing Finance Limited	2.08	0.28
	ECL Finance Limited	108.30	4.3
	Edelweiss Rural & Corporate Services Limited	191.35	134.99
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	57.92
	Edelcap Securities Limited	-	86.00
Interest Income on Non convertible Debentures	ECL Finance Limited	5.36	22.70
	Edelweiss Housing Finance Limited	0.81	0.24
Service charges received	Edelweiss Housing Finance Limited	1.49	0.56
Reimbursement of ARC management fee from	Edelweiss Financial Services Limited	29.17	8.75
Shared premises cost paid (net)	Edelweiss Securities Limited	-	0.31
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	2.42
	Edelweiss Rural & Corporate Services Limited	-	1.56
	Edelweiss Custodial Services Limited	-	0.71
	Edelweiss Broking Limited	0.28	-
Cost reimbursement paid to (net)	Edelweiss Financial Services Limited	0.38	9.22
	Edelweiss Rural & Corporate Services Limited	0.50	19.30
	Edel Land Limited (Formerly known as Ecap Equities Limited)	0.41	0.07
	Edelweiss Securities Limited	-	0.08
	ECL Finance Limited	1.29	0.28
	Edelweiss General Insurance Company Limited	-	0.02
Cost reimbursement received from (net)	Edelweiss Housing Finance Limited	0.12	-
	Edelweiss Asset Management Limited	0.00	-
	Edelweiss Broking Limited	0.00	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	19.68	21.79
Interest Expense on loan from	Edelweiss Rural & Corporate Services Limited	4.84	-
	Edelweiss Housing Finance Limited	19.32	32.91
	ECL Finance Limited	1.29	1.87
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	2.50
Interest Expense on Non convertible debentures	Edelweiss Rural & Corporate Services Limited	1.64	1.64
	Edelweiss Finance & Investments Limited	0.00	0.01
	Edel Finance Company Limited	6.94	6.95
	ECL Finance Limited	1.56	3.17
	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	30.46	27.32
Brokerage paid	Edelweiss Securities Limited	0.03	0.00
	Edelweiss Investment Limited	0.01	0.00
Clearing charges	Edelweiss Custodial Services Limited	-	0.00
Enterprise Service charge paid to	Edelweiss Rural & Corporate Services Limited	0.63	-



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

46. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Advisory fees paid to	Edelweiss Housing Finance Limited	4.30	9.00
Guarantee fee paid	Edel Land Limited (Formerly known as Ecap Equities Limited)	0.00	0.00
	Edelweiss Rural & Corporate Services Limited	0.00	-
Service Fee paid to	Edelweiss Housing Finance Limited	-	0.02
	ECL Finance Limited	-	1.31
Risk & Reward Fees on Security Receipt sale paid	Edelweiss Rural & Corporate Services Limited	-	2.32
	Edelweiss Financial Services Limited	0.86	0.81
CSR Expenses Paid to	EdelGive Foundation	7.00	17.93
ESOP cost reimbursement	Edelweiss Financial Services Limited	2.96	3.12
Rating support fees paid to	Edelweiss Financial Services Limited	-	0.04
	Edelweiss Rural & Corporate Services Limited	0.06	0.08
Director Sitting fees	Mr. Mitul Shah	-	0.32
	Mr. Vinod Juneja	0.26	-
	Mr. Sunil Phatarphekar	0.22	0.26
Remuneration paid to	Mr. Jignesh Gaglani	1.26	-
	Mr. Amit Pandey	0.13	0.85
	Mr. Mehmoosh Tata	20.23	8.62
	Mr. Shaifendra Dhupiya	4.81	2.84
Sale of Property, Plant and Equipment	ECL Finance Limited	0.00	0.03
	Edelweiss Broking Limited	0.00	0.06
	Edelweiss Custodial Services Limited	-	0.04
	Edelweiss Housing Finance Limited	0.30	0.01
	Edelweiss Rural & Corporate Services Limited	-	0.02
	Edelweiss Securities Limited	-	0.02
	Edelweiss 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	0.02	0.01
	ECL Finance Limited	0.02	0.02
	Edelweiss Broking Limited	-	0.30
	Edelweiss Finance & Investments Limited	-	0.31



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)
46. Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Balances with related parties:			
Interest accrued on loans taken from	Edelweiss Housing Finance Limited	-	8.14
	ECL Finance Limited	-	1.73
Loans given to	ECL Finance Limited	80.00	2,000.00
	Edelweiss Rural & Corporate Services Limited	3,470.00	-
Interest accrued on loan given to	Edelweiss Housing Finance Limited	1.87	-
	ECL Finance Limited	32.69	3.29
	Edelweiss Rural & Corporate Services Limited	20.88	-
	Edel Land Limited (Formerly known as Ecap Equities Limited)	-	3.37
	Edelcap Securities Limited	-	4.48
Non convertible debentures (Face Value) held by	Edelweiss Rural & Corporate Services Limited	17.92	17.92
	Edelweiss Finance & Investments Limited	0.13	0.50
	ECL Finance Limited	17.44	17.44
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
Non convertible debentures (Face Value) held in	ECL Finance Limited	36.37	47.40
	Edelweiss Housing Finance Limited	7.47	7.60
Interest accrued on Perpetual debentures held by	Edel Finance Company Limited	-	1.82
Interest accrued on Subordinated debentures held by	Edelweiss Tokio Life Insurance Company Limited	155.34	124.83
Interest accrued on Non convertible debentures held by	Edelweiss Rural & Corporate Services Limited	0.04	0.04
	ECL Finance Limited	0.07	0.07
	Edelweiss Finance & Investments Limited	0.00	0.00
	Edel Finance Company Limited	1.86	-
Interest accrued on Non convertible debentures held in	ECL Finance Limited	1.24	1.6
	Edelweiss Housing Finance Limited	0.52	0.52
Trade Payables	Edelweiss Housing Finance Limited	3.70	0.67
	Edelweiss Financial Services Limited	0.90	1.07
	Edelweiss Rural & Corporate Services Limited	0.53	4.40
	ECL Finance Limited	5.50	0.75
	Edelweiss Securities Limited	0.02	0.01
	Edelweiss Broking Limited	0.13	0.37
	Edel Land Limited (Formerly known as Ecap Equities Limited)	0.02	0.40
	Edelweiss Custodial Services Limited	0.73	0.73
ESOP cost payable to	Edelweiss Financial Services Limited	0.66	3.12
Trade Receivables	ECL Finance Limited	6.34	8.38
	Edelweiss Broking Limited	-	0.70
	Edelweiss Rural & Corporate Services Limited	-	0.70
	Edelweiss Housing Finance Limited	6.22	1.87
	Edelweiss Financial Services Limited	7.29	8.90
	Edelweiss Asset Management Limited	0.01	-
Other Receivable	Edelweiss Rural & Corporate Services Limited	0.19	-
Other Payable	Edelweiss Housing Finance Limited	0.08	-
	ECL Finance Limited	0.31	-



Edelweiss Retail Finance Limited**Notes to the financial statements for year ended March 31, 2022 (Continued)**

(Currency : Indian rupees in millions)

46. Related Party Disclosures

Nature of Transaction	Related Party Name	As at	As at
		March 31, 2022	March 31, 2021
Margin receivable	Edelweiss Custodial Services Limited	0.47	0.47
	Edelweiss Securities Limited	20.50	79.10
Investment in Security Receipts issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 373	97.34	162.71
	EARC Trust SC 385	180.88	247.75
	EARC Trust SC 416	150.44	-
Corporate Guarantee taken from	Edel Land Limited (Formerly known as Ecap Equities Limited)	31.57	34.22
	Edelweiss Rural & Corporate Services Limited	32.49	
Risk & Rewards sharing arrangement	Edelweiss Financial Services Limited	1,102.83	648.97

Notes:

1. As part of fund based activities, intergroup company loans and advances are voluminous in nature and 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, 2022 and March 31, 2021.



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

47. Leases

	For the year ended March 31, 2022	For the year ended March 31, 2021
47.1. Set out below are the carrying amounts of right-of-use assets recognised and the movements		
Balance as at April 1	102.15	115.90
Addition	37.34	89.26
Lease pre-closure	(98.42)	(74.44)
Amortisation for the year	(28.02)	(28.57)
Balance as at March 31	13.05	102.15
47.2. Set out below are the carrying amounts of lease liabilities and the movements		
Balance as at April 1	110.88	139.32
Additions/ reversal (net)	26.12	89.26
Interest on lease liabilities	11.34	11.05
Lease pre-closure	(105.64)	(92.92)
Repayment of lease obligation	(26.58)	(35.83)
Balance as at March 31	16.12	110.88
47.3. Amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	28.02	28.57
Interest expense on lease liabilities	11.34	11.05
Reversal of lease pre-closure	(7.22)	(18.48)
Total	32.14	21.14
47.4. Total cash outflow for leases:		
Cash outflow of long term leases	27.61	31.69
Cash outflow of short term leases	0.06	0.27
Total	27.67	31.96
47.5. Details regarding the contractual maturities of lease liabilities, on an undiscounted basis	As at March 31, 2022	As at March 31, 2021
Less than 1 year	7.21	35.37
1-3 years	6.42	52.94
3-5 years	2.49	42.98
More than 5 years	-	2.36
Total	16.12	133.65

48. 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 37 and 38 include reimbursements (received)/ paid and are net of reimbursements paid/(received). Based on the management's best estimate Rs. (8.02) million is received during the year (Previous year Rs. (38.39) million).



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency: Indian rupees in millions)

49. 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 upto 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 Securities, 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.



Edelweiss Retail Finance Limited**Notes to the financial statements for year ended March 31, 2022 (Continued)**

(Currency : Indian rupees in millions)

49.1. 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
Credit Impaired		
Individually impaired	NPA*	Stage III

*Excluding non performing asset (NPA)

**Represent loan assets classified as NPA as per the extant RBI guidelines

(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.



Edelweiss Retail Finance Limited

Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

(c) Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage III (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due or classified as non performing asset (NPA) as per RBI guidelines. Classification of assets from Stage I to Stage II 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 II 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 III for ECL calculations or whether Stage II 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,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

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

(g) Forward looking adjustments

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

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

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



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Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

(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 uncertainty on account of COVID-19 outbreak continues to have adverse effect across the world economy including India. However, recent results from the industry is showing signs of revival signaling a return in economic growth. The impact of the COVID-19 pandemic on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government and other regulators to mitigate the economic impact and foster speedier growth. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation 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.



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Notes to the financial statements for year ended March 31, 2022 (Continued)

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49.1. Credit Risk
49.1.1. 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, 2022	Financial services	Retail	Construction	Wholesale	Total
Financial assets					
Cash and cash equivalent and other bank balances	305.87	-	-	-	305.87
Securities held for trading	50.29	-	-	-	50.29
Trade receivables	19.64	-	-	-	19.64
Loans	4,078.68	4,781.22	244.14	1,132.38	10,236.43
Investments	300.76	1,140.77	-	99.45	1,540.98
Other financial assets	38.96	-	-	-	38.96
	4,794.20	5,921.99	244.14	1,231.83	12,192.17
Loan Commitments	-	55.59	-	-	55.59
Total	4,794.20	5,977.58	244.14	1,231.83	12,247.76

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 non 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



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49.1. Credit Risk

49.1.2. 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, 2022	As at March 31, 2021	
Financial assets			
Loans (at amortised cost)			
(i) Retail loans	4,305.45	5,307.40	Property; book receivables
(ii) Wholesale loans	1,722.59	2,920.76	Property; book receivables
Total (A)	6,028.04	8,228.16	
Loan commitments	53.52	45.23	Property; book receivables
Total (B)	53.52	45.23	
Total (A + B)	6,081.56	8,273.39	

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

As at March 31, 2022

	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	225.20	37.56	187.64	415.57
(ii) Wholesale loans	-	-	-	-
Total (A)	225.20	37.56	187.64	415.57
Loan commitments	-	-	-	-
Total (B)	-	-	-	-
Total (A + B)	225.20	37.56	187.64	415.57

As at March 31, 2021

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



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49.1. Credit Risk**49.1.3. 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, 2022	For the year ended March 31, 2021
Amortised costs of financial assets modified during the year	561.23	1,219.23
Net modification gain / (loss)	23.49	38.90

49.1.4. 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, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets (held as Collateral)	297.37	86.73
Carrying amount of associated liabilities	315.55	-
Fair value of assets	277.89	83.64
Fair value of associated liabilities	315.55	-
Net position at FV	(37.66)	83.64



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49.2. 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.

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

As at March 31, 2022	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	166.30	-	-	112.56	-	5.15	22.06	-	-	-	305.87
Securities held for trading	-	-	-	13.77	-	4.56	3.96	-	-	-	50.29
Trade receivables	-	-	-	19.64	-	-	-	-	-	-	19.64
Loans	-	997.59	128.20	670.55	358.95	427.87	4,533.33	2,262.87	699.94	3,306.11	13,785.41
Investments	-	-	-	-	-	-	-	-	1,240.22	500.76	1,540.98
Other financial assets	-	-	24.05	-	0.56	0.09	-	13.96	-	-	38.96
Total undiscounted financial assets	166.30	997.59	152.25	816.32	359.81	437.67	4,587.35	2,276.83	1,940.16	3,606.87	15,741.15
B. Financial Liabilities											
Trade payables	-	-	-	14.37	-	-	-	-	-	-	54.37
Debt securities	-	4.81	-	4.65	4.81	14.33	2,097.76	193.01	162.37	1,049.26	3,501.00
Borrowings (other than debt securities)	-	-	149.79	29.60	412.82	454.77	805.45	-	-	-	1,852.43
Subordinated financial liabilities	-	-	-	-	-	22.20	1-8.94	342.28	878.07	1,775.52	3,167.01
Other financial liabilities	-	21.06	366.70	43.63	28.81	66.93	1,024	33.89	2.49	-	673.75
Total undiscounted financial liabilities	-	25.87	516.49	132.25	446.44	558.23	3,162.39	539.18	1,942.94	2,824.78	9,248.56
Net financial assets / (liabilities)	166.30	971.72	(364.24)	684.07	(86.63)	(120.56)	1,824.96	1,737.65	897.22	782.09	6,492.59

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2022 is Nil.

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

Undrawn loan commitments	-	-	-	-	55.59	-	-	-	-	-	55.59
Total	-	-	-	-	55.59	-	-	-	-	-	55.59

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	1,243.16	478.56	1,311.35	3,290.61	4,346.49	1,269.56	3,781.36	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	1,742.37	8,816.00
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	959.23	3,795.60
Borrowings (other than debt securities)	-	-	104.06	50.63	567.82	812.80	1,279.25	1,481.43	-	-	4,846.99
Subordinated financial liabilities	-	-	-	-	-	22.20	148.94	342.28	758.07	2,237.80	5,509.29
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	2,143.91	4,088.45	946.18	3,197.17	12,643.24
Net financial assets / (liabilities)	554.08	330.73	(43.21)	1,474.36	136.69	323.19	1,066.70	314.58	475.40	(1,454.80)	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. 2,970 million.

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



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(Currency : Indian rupees in millions)

49.2. Liquidity Risk**49.2.3. Financial assets available to support future funding**

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

As at March 31, 2022	Pledge as collateral	Encumbered Contractually/ legally restricted assets	Unencumbered Available as collateral	Others	Total carrying amount
Cash and cash equivalent including bank balance	37.01	-	268.86	-	305.87
Securities held for trading	-	-	50.29	-	50.29
Trade receivables	-	-	19.64	-	19.64
Loans	4,783.51	149.84	5,303.08	-	10,236.43
Investments	-	1,240.22	300.76	-	1,540.98
Property, Plant and Equipment	0.37	-	-	-	0.37
Other financial assets	-	0.97	37.99	-	38.96
Total assets	4,820.89	1,391.03	5,980.62	-	12,192.54

As at March 31, 2021	Pledge as collateral	Encumbered 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

Notes:-

- 1 Represents assets which are not pledged and Group believes it is restricted from using to secure funding for legal or other
- 2 Represents assets which are not restricted for use as collateral, but that the group would not consider readily available to secure funding in the normal course of business



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49.3. 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.

49.3.1 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, 2022			As at March 31, 2021			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	305.87	-	305.87	981.59	-	981.59	Interest rate
Securities held for trading	50.29	50.29	-	59.48	59.48	-	Interest rate
Loans	10,236.43	-	10,236.43	11,923.91	-	11,923.91	Interest rate
Investments	1,540.98	-	1,540.98	957.91	-	957.91	Interest rate
Trade receivables	19.64	-	19.64	19.63	-	19.63	
Other financial assets	38.96	-	38.96	665.57	-	665.57	
Total	12,192.17	50.29	12,141.88	14,608.09	59.48	14,548.61	
Financial Liability							
Debt securities	2,804.43	-	2,804.43	2,923.81	-	2,923.81	Interest rate
Borrowings (other than Debt Securities)	1,774.29	-	1,774.29	4,502.60	-	4,502.60	Interest rate
Subordinated Liabilities	2,153.18	-	2,153.18	2,119.04	-	2,119.04	Interest rate
Trade payables	54.37	-	54.37	111.44	-	111.44	
Other liabilities	673.75	-	673.75	469.85	-	469.85	
Total	7,460.02	-	7,460.02	10,126.74	-	10,126.74	



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49.3. Market Risk**49.3.2 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, 2022	25/(25)	6.72	(6.72)	6.72	(6.72)
March 31, 2021	25/(25)	9.00	(9.00)	9.00	(9.00)
INR Borrowings					
March 31, 2022	25/(25)	(3.34)	3.34	(3.34)	3.34
March 31, 2021	25/(25)	(8.41)	8.41	(8.41)	8.41



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50.1. 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, 2022	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Financial Assets held for trading				
Other debt securities	50.29	-	-	50.29
Total financial instruments measured at fair value - A	50.29	-	-	50.29
Other financial assets				
Security Receipts (SR)	-	-	1,240.22	1,240.22
Total financial instruments measured at fair value - B	-	-	1,240.22	1,240.22
Other financial assets				
Units of AIF	-	-	300.76	300.76
Total financial instruments measured at fair value - C	-	-	300.76	300.76
Total (A+B+C)	50.29	-	1,540.98	1,591.27
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



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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 security receipts 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, 2022 and March 31, 2021.

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 2022	Security Receipts	Units of AIF	Total
Investments - at April 1, 2021	708.11	249.80	957.91
Purchase	694.08	52.82	746.90
Sale/Redemption proceeds	(161.97)	-1.86	(163.83)
Profit for the year recognised in profit or loss	-	-	-
Investments - at March 31, 2022	1,240.22	300.76	1,540.98
Unrealised gain/(Loss) related to balances held at the end of the year	-	-	-
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)



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50.1. 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 2022	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 (SR)	1,240.22	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	7,353.23	5% increase in Expected future Cash flow	31.51	5% Decrease in Expected future Cash flow	(31.51)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(0.55)	0.5% Decrease in Risk-adjusted discount rate	0.56
Units of AIF	300.76	Net Asset approach	Fair value of underlying investments	300.76	5% Increase in Fair value of Underlying Investment	15.04	5% Increase in Fair value of Underlying Investment	(15.04)
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	3.20
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)



Edelweiss Retail Finance Limited**Notes to the financial statements for year ended March 31, 2022 (Continued)**

(Currency : Indian rupees in millions)

50.2. 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, 2022	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets					
Loans	10,236.43	9,603.89	-	-	9,603.89
Total	10,236.43	9,603.89	-	-	9,603.89
Financial liabilities					
Debt securities	2,804.43	3,131.63	-	3,131.63	-
Subordinated liabilities	2,153.18	2,182.55	-	2,182.55	-
Other financial liabilities	673.75	673.75	-	673.75	-
Total	5,631.36	5,987.93	-	5,987.93	-
As on March 31, 2021					
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	-
Other financial liabilities	512.51	512.51	-	512.51	-
Total	5,555.36	5,892.60	-	5,892.60	-

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.

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, 2022 (Continued)**

(Currency : Indian rupees in millions)

51. Trade receivables**Provision matrix for Trade receivables**

Particulars	Trade receivables days past due	1-90days	91-180 days	181-365 days	more than 365 days	Total
ECL rate		1.66%	16.61%	31.56%	100.00%	
As at March 31, 2022	Estimated total gross carrying amount at default	19.91	0.06	0.02	0.14	20.13
	ECL - Simplified approach	(0.33)	(0.01)	(0.01)	(0.14)	(0.49)
	Net carrying amount	19.58	0.05	0.02	0.00	19.64
As at March 31, 2021	Estimated total gross carrying amount at default	19.92	0.41	0.00	0.14	20.47
	ECL - Simplified approach	(0.64)	(0.06)	-	(0.14)	(0.84)
	Net carrying amount	19.28	0.35	-	-	19.63



Edelweiss Retail Finance Limited
Notes to the Special Purpose Financial Statements (Continued)
(Currency : Indian rupees in millions)

52. 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 2022

Month of Maturity/Repayment	Rate of Interest		Grand Total
	<= 10%	>10%	
March-2023	14.62	80.69	95.31
December-2022	75.90	140.61	216.51
September-2022	153.12	196.88	350.00
July-2022	-	31.25	31.25
June-22	153.12	196.88	350.00
May-2022	-	18.75	18.75
April-2022	17.86	31.25	49.11
Total	414.62	696.31	1,110.93

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

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

As at March 31 2022

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
Total	299.00	299.00



Edelweiss Retail Finance Limited**Notes to the Special Purpose Financial Statements (Continued)**

(Currency : Indian rupees in millions)

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

As at March 31 2021

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
Total	841.00	841.00



Edelweiss Retail Finance Limited**Notes to the financial statements for year ended March 31, 2022 (Continued)**

(Currency : Indian rupees in millions)

53 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 2022

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
					<u>2,764.97</u>

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>

*Excluding of Interest accrued on Term loans and EIR impact

54. Repayment terms of Unsecured non-convertible redeemable subordinate debentures are as follow:**As at March 31 2022**

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 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>

*Excluding of Interest accrued on Term loans and EIR impact

55. Repayment terms of Unsecured non-convertible redeemable perpetual debentures are as follow.**As at March 31 2022**

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 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>

*Excluding of Interest accrued on Term loans and EIR impact



Edelweiss Retail Finance Limited**Notes to the financial statements for year ended March 31, 2022 (Continued)**

(Currency : Indian rupees in millions)

56. Capital Management

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

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

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

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

(b) Regulatory Capital

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

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Funds		
Common Equity Tier1 (CET1) capital	2,106.88	3,181.02
Other Tier 2 capital instruments (CET2)	1,083.35	1,566.91
Total capital	3,190.23	4,747.93
Risk weighted assets	8,644.62	11,915.15
CET1 Capital ratio	24.37%	26.70%
CET2 Capital ratio	12.53%	13.15%
Total Capital ratio	36.90%	39.85%



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

57. Other Disclosures

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

Trade Payables includes Rs.0.89 million (Previous Year Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the company during the year to "Suppliers" registered under this Act is Rs.0.06 million (Previous year: Nil). The aforementioned is based on the responses received by the company to its inquiries with suppliers with regard to applicability under the

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

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to advances in the nature of loans to subsidiaries	-	-
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 lender in the share of parents company and subsidiary company, when the company has made a loans & advances in the nature of loans	-	-

(iii) Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

Name of the struck off company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed	Balance outstanding as on March 31, 2022	Balance outstanding as on March 31, 2021
Zedpack Pvt Ltd	Receivables	None	0.01	2.35
E Factor Entertainment Pvt Ltd	Receivables	None	-	0.05
Shellz India Pvt Ltd	Receivables	None	0.02	2.16
Total			0.03	4.56



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

57. Other Disclosures

- (iv) **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, 2022	6,731.90
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	[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	[ICRA] A+/Negative	ICRA Limited
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, 2022**

Particulars	Details
2-year block period	FY 2021-22, FY 2022-23
Incremental borrowing done in FY (a)	Nil
Mandatory borrowing to be done through issuance of debt securities (25% of a) = (b)	NA
Actual borrowings done through debt securities in FY (c)	NA
Shortfall in the mandatory borrowing through debt securities, if any (b) - (c) = (d) {If the calculated value is zero or negative, write "nil"}	NA
Quantum of (d), which has been met from (c) (e)	NA
Shortfall, if any, in the mandatory borrowing through debt securities for FY 2021-22 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2021-22} (f) = (b) - [(c) - (e)]	NA

- (v) **Details of penalty to be paid, if any, in respect to previous year ended March 31, 2021**

Particulars	Details
2-year block period	FY 2020-21, FY 2021-22
Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	Nil



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

57. Other Disclosures

(v) Disclosure of Ratios

Sr. No.	Particulars	March 31, 2022	March 31, 2021
1	Debt-equity Ratio ^(refer note 1)	1.35	2.02
2	Debenture redemption reserve (Rupees in Crores)	6.78	6.78
3	Net worth (Rupees in Crores) ^(refer note 2)	497.02	473.67
4	Net profit after tax (Rupees in Crores)	18.47	26.85
5	Earnings per share (not annualised)		
5.a	Basic (Rupees)	4.30	6.26
5.b	Diluted (Rupees)	4.30	6.26
6	Total debts to total assets ^(refer note 3)	0.53	0.63
7	Net profit margin (%) ^(refer note 4)	10.47%	10.74%
8	Sector specific equivalent ratios as on March 31, 2022		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	36.90%	39.85%
	(b) Tier I CRAR (%)	24.37%	26.70%
	(c) Tier II CRAR (%)	12.53%	13.15%
	(d) Stage III ratio (gross) (%) (refer note 5)	2.31%	12.44%
	(e) Stage III ratio (net) (%) (refer note 6)	1.82%	10.21%
9	Liquidity coverage ratio ^(refer note 7)	N.A	N.A

The company being a retail finance company, disclosure of current ratio, long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover, Operating margin are not applicable

1. Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities) / Net worth

2. Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets

3. Total debts to total assets = Total Debt / Total assets

4. Net profit margin (%) = Net profit after tax / Revenue from Operations

5. Stage III ratio (gross) = Gross Stage III loans / Gross Loans

6. Stage III ratio (net) = (Gross Stage III loans - impairment loss allowance for Stage III) / Gross Loans

7. As per RBI guidelines on Liquidity Risk Management Framework, all non-deposit taking NBFCs with asset size of Rs. 5,000 crore shall maintain the required level of Liquidity coverage ratio (LCR) starting December 1, 2020 in phased manner from 30% to 100% by December 1, 2024. As at March 31, 2022, the Company's asset size is less than Rs. 5,000 crores and hence minimum LCR maintenance is not mandatory for the Company.



Edelweiss Retail Finance Limited

Notes to the financial statements for the year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

57. Other Disclosures

(vi) Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.

(vii) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) Utilisation of Borrowed funds and share premium:

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ix) Details of Benami Property held

There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(x) Undisclosed income

The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(xi) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirements.

(xii) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year 2021-2022.



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

58. Regulatory Disclosures

(i) Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2022 (Previous year: Rs Nil).

(ii) Investments

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
	Value of Investments		
(i)	Gross value of Investments		
	(a) In India	1,546.90	963.83
	(b) Outside India	-	-
(ii)	Provisions for Depreciation		
	(a) In India	(5.92)	(5.92)
	(b) Outside India	-	-
(iii)	Net value of Investments		
	(a) In India	1,540.98	957.91
	(b) Outside India	-	-
	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	(5.92)	-
(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)	(5.92)

(iii) Derivatives

(a) Forward Rate Agreement / Interest Rate Swap

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
(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.		

(b) Exchange Traded Interest Rate (IR) Derivatives

Sr. 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, 2022 (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)	



58. Regulatory Disclosures

(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	Particulars	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, 2022

Buckets	Deposits	Advances	Investments*	Borrowings	Foreign Currency Assets	Foreign Currency Assets
1 day to 7 days	-	52.82	-	-	-	-
8 day to 14 days	-	956.76	-	62.44	-	-
15 days to 30/31 days (One month)	-	281.16	-	129.51	-	-
Over 1 month upto 2 months	-	671.31	13.77	18.75	-	-
Over 2 months upto 3 months	-	480.43	-	402.50	-	-
Over 3 months upto 6 months	-	941.99	4.56	448.59	-	-
Over 6 months upto 1 year	-	3,444.82	31.96	2,716.45	-	-
Over 1 year upto 3 years	-	1,568.75	-	-	-	-
Over 3 years upto 5 years	-	72.24	1,240.22	371.28	-	-
Over 5 years	-	2,248.94	300.76	2,582.38	-	-
Total	-	10,719.22	1,591.27	6,731.90	-	-

*Includes securities held for trading

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

(v) Capital to risk assets ratio (CRAR)

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	CRAR (%)	36.90%	39.85%
(ii)	CRAR - Tier I capital (%)	24.37%	26.70%
(iii)	CRAR - Tier II Capital (%)	12.53%	13.15%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

58. Regulatory Disclosures
(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

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	No. of SPVs sponsored by the NBFC for securitisation transactions	1.00	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	314.47	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	53.46	-
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss	22.01	-
	- Others	31.45	-
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

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

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	No. of SPVs sponsored by the NBFC for assignment transactions	10	8
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	1,573.29	2,124.24
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	194.48	258.31
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss	-	-
	- Others	194.48	258.31
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	-	-



Edelweiss Retail Finance Limited**Notes to the financial statements for year ended March 31, 2022 (Continued)**

(Currency : Indian rupees in millions)

58. Regulatory Disclosures

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

Sr. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	25	171
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	393.49	197.03
(iii)	Aggregate consideration	370.84	184.85
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	(22.65)	(12.18)

(d) Details of Assignment transactions undertaken

Sr. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	33	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	314.24	Nil
(iii)	Aggregate consideration	282.82	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	Nil
(v)	Aggregate gain / (loss) over net book value	(31.42)	Nil

(e) Details of Securitization transactions undertaken

Sr. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	No. of accounts	358	-
(ii)	Aggregate value (net of provisions) of accounts sold	282.82	-
(iii)	Aggregate consideration	314.47	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	31.65	-



58. 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:

Sr. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(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:

Sr. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	No. of accounts sold	25	171
(b)	Aggregate outstanding	393.49	197.03
(c)	Aggregate consideration received	370.84	184.85

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

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

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
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	1,480.77	1,675.49
(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). Investments in Mortgage Backed Securities (MBS) and other securitised exposures - - Residential - Commercial real estate	2,957.30 - -	5,180.15 - -
B	Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)	-	-

b) Exposure to capital market

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
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	727.47	882.83
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	-	-
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	bridge loans to companies against expected equity flows / issues	-	-
viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	727.47	882.83



58. 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

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Net NPAs to net advances (%)	1.83%	10.44%
ii)	Movement of NPAs (Gross)		
a)	Opening balance	1,561.18	381.38
b)	Additions during the year	204.65	1,571.23
c)	Reductions during the year	(1,517.77)	(391.44)
d)	Closing balance	248.06	1,561.17
iii)	Movement of net NPA		
a)	Opening balance	1,281.37	306.19
b)	Additions during the year	174.50	1,298.57
c)	Reductions during the year	(1,260.62)	(323.40)
d)	Closing balance	195.25	1,281.36
	Movement of provisions for NPAs (excluding provision on Stage I & II loans)		
iv)			
a)	Opening balance	279.81	75.20
b)	Additions during the year	30.15	272.65
c)	Reductions during the year	(257.15)	(68.04)
d)	Closing balance	52.81	279.81

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

During the year ended March 31, 2022 and March 31, 2021, 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, 2022	For the year ended March 31, 2021
Mr. Mitul Shah	Sitting fees	-	-
Mr. Vinod Juneja	Sitting fees	-	0.32
Mr. Sunil Phatarpikar	Sitting fees	0.26	-

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

There are no prior period 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, 2022	For the year ended March 31, 2021
(i) Provisions for depreciation on investment	5.92	5.92
(ii) Provision towards NPA (Stage III loans)	(226.99)	204.61
(iii) Provision made towards income tax	23.73	115.35
(iv) Provision for Standard loans (Stage I & II loans)	83.04	(72.69)

(xv) Draw down from Reserves

The Company has drawn Rs. Nil (Previous Year Rs. 269.30 million) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2022. 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.



58. Regulatory Disclosures

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

A) Concentration of Deposits (for deposit taking NBFCs)		As at March 31, 2022	As at March 31, 2021
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, 2022	As at March 31, 2021
Total advances to twenty largest borrowers		7,060.21	7,264.69
% of advances to twenty largest borrowers to total advances		65.86%	57.89%
C) Concentration of exposures (includes Off balance sheet exposure)			
Total exposures to twenty largest borrowers / customers		7,060.21	7,264.03
% of exposures to twenty largest borrowers / customers to total Exposure		65.53%	57.96%
D) Concentration of NPAs			
Total exposures to top four NPAs		94.13	1,199.29
E) Sector-wise NPAs		% of NPAs to total advances in that sector	
		As at March 31, 2022	As at March 31, 2021
1 Agriculture & allied activities		0.00%	0.02%
2 MSME		7.81%	2.91%
3 Corporate borrowers		1.42%	0.17%
4 Services		0.39%	18.76%
5 Unsecured personal loans		0.00%	0.00%
6 Auto loans		0.00%	0.00%
7 Other personal loans		6.29%	13.18%

(xvii) Customer complaints

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	118	75
(c) No. of complaints redressed during the year	118	75
(d) No. of complaints pending at the end of the year	-	-

(xviii) Details of ratings assigned by credit rating agencies

As at March 31, 2022

(a) Instrument category	CRISIL	ICRA	CARE	Brickworks	Brickworks	Acute
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-/Negative	ICRA A+/Negative	CARE A+/Stable	BWR AA-/stable	BWR A+/stable	ACUTE AA-/Negative
Amount	1,202.00	3,020.17	525.00	50.00	100.00	100.00
ii) Short term instruments	CPs-ST		CPs-ST			
Rating	CRISIL A1+	NA	CARE A1+	NA	NA	NA
Amount	200.00	NA	500.00	NA	NA	NA

(b) the migration of ratings during the year are Nil

(a) As at March 31, 2021

Instrument category	CRISIL	ICRA	CARE	Brickworks	Brickworks	Acute
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	ACUTE AA-/Negative
Amount	18,000.00	33,000.00	5,250.00	4,500.00	1,000.00	2,500.00
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.



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

58. Regulatory Disclosures

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

Sr. 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	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2021 (Opening figures) (refer note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	55.00	7.00	-	-	62.00	55.00	7.00	-	-	62.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,054.49	92.31	-	-	1,146.80	1,054.49	92.31	-	-	1,146.80
		Provision thereon	-	-	-	-	-	-	-	-	-	-	123.01	16.58	-	-	139.59	123.01	16.58	-	-	139.59
2	Fresh restructuring during the year (refer note 2)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	56.00	-	-	-	56.00	56.00	-	-	-	56.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	740.89	-	-	-	740.89	740.89	-	-	-	740.89
		Provision thereon	-	-	-	-	-	-	-	-	-	-	47.06	-	-	-	47.06	47.06	-	-	-	47.06
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1.00	(1.00)	-	-	-	1.00	(1.00)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	70.82	(70.82)	-	-	-	70.82	(70.82)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	9.87	(9.87)	-	-	-	9.87	(9.87)	-	-	-
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	-	-	-	-	-	-	-	-	-	-	(8.00)	-	-	-	(8.00)	(8.00)	-	-	-	(8.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	171.24	0.86	-	-	172.10	171.24	0.86	-	-	172.10
		Provision thereon	-	-	-	-	-	-	-	-	-	-	34.19	3.42	-	-	37.61	34.19	3.42	-	-	37.61
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(13.00)	13.00	-	-	13.00	(13.00)	13.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(51.71)	51.71	-	-	51.71	(51.71)	51.71	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(9.10)	9.10	-	-	9.10	(9.10)	9.10	-	-	-
6	Write-offs of restructured accounts during the FY 21-22	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(9.00)	(3.00)	-	-	(12.00)	(9.00)	(3.00)	-	-	(12.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(8.75)	(4.87)	-	-	(13.62)	(8.75)	(4.87)	-	-	(13.62)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(5.47)	(3.80)	-	-	(9.27)	(5.47)	(3.80)	-	-	(9.27)
7	Restructured accounts as on 31st Mar, 2022 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	82.00	16.00	-	-	111.00	82.00	16.00	-	-	98.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,976.98	69.19	-	-	2,097.88	1,976.98	69.19	-	-	2,046.17
		Provision thereon	-	-	-	-	-	-	-	-	-	-	199.56	15.43	-	-	224.09	199.56	15.43	-	-	214.99

Note :

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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

58. Regulatory Disclosures

(xix) Disclosure of Restructured Accounts

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

Sr No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2020 (Opening figures) (refer note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	2.00	28.00	-	-	30.00	2.00	28.00	-	-	30.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1.88	85.73	-	-	87.61	1.88	85.73	-	-	87.61
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.02	34.65	-	-	34.67	0.02	34.65	-	-	34.67
2	Fresh restructuring during the year (refer note 2)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	50.00	-	-	-	50.00	50.00	-	-	-	50.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,076.46	-	-	-	1,076.46	1,076.46	-	-	-	1,076.46
		Provision thereon	-	-	-	-	-	-	-	-	-	-	127.55	-	-	-	127.55	127.55	-	-	-	127.55
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	7.00	(7.00)	-	-	-	7.00	(7.00)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	13.73	(13.73)	-	-	0.00	13.73	(13.73)	-	-	0.00
		Provision thereon	-	-	-	-	-	-	-	-	-	-	9.76	(9.76)	-	-	0.00	9.76	(9.76)	-	-	0.00
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	-	-	-	-	-	-	-	-	-	-	4.00	31.00	-	-	35.00	4.00	31.00	-	-	35.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(24.75)	61.40	-	-	36.66	(24.75)	61.40	-	-	36.66
		Provision thereon	-	-	-	-	-	-	-	-	-	-	3.81	32.78	-	-	36.59	3.81	32.78	-	-	36.59
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2.00)	2.00	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(63.80)	63.80	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(10.51)	10.51	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY 20-21	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2.00)	(15.00)	-	-	17.00	(2.00)	(15.00)	-	-	17.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(1.48)	(17.91)	-	-	19.39	(1.48)	(17.91)	-	-	19.39
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	(13.96)	-	-	13.96	-	(13.96)	-	-	13.96
7	Restructured accounts as on 31st Mar, 2021 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	55.00	7.00	-	-	62.00	55.00	7.00	-	-	62.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,054.49	92.31	-	-	1,146.80	1,118.29	28.51	-	-	1,146.80
		Provision thereon	-	-	-	-	-	-	-	-	-	-	123.01	16.58	-	-	139.59	133.52	6.07	-	-	139.59

Note :

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

2. Amount outstanding of fresh restructuring during the year is the amount outstanding as on the date of restructuring.

3. The above table excludes the recoveries made on restructured accounts.

4. Above disclosure also includes loan accounts which are restructured under RBI circular on 'Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances' dated January 1, 2019 which are reflecting under 'Sub-Standard (i.e. Stage III) category as per classification under Ind AS.



Edelweiss Retail Finance Limited**Notes to the financial statements for year ended March 31, 2022 (Continued)**

(Currency : Indian rupees in millions)

58. 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, 2022	For the year ended March 31, 2021
No of accounts restructured	77	49
Amount (Indian rupees in millions)	880.40	47.76

- (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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
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	2,804.43	2,923.81	-	-
(ii) Unsecured	2,153.18	2,119.04	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans	1,400.18	3,852.46	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Other loans	-	-	-	-
(i) Loan from related parties	-	9.87	-	-
(ii) Bank overdraft	374.11	640.27	-	-
(* 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	6,028.04	8,228.16	-	-
(b) Unsecured	4,691.18	4,320.47	-	-
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	-	-	-	-



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

58. 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.

Particulars	As at March 31, 2022	As at March 31, 2021
4) Break up of investments		
Current investments: (including securities held for trading)		
(a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	50.29	59.48
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
(b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (pass through certificates)	-	-
Long-term investments (net of provision)		
(a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
(b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others : Pass through certificates	-	-
Security receipts	1,240.22	708.11
Units of Alternative Investments Fund (AIF)	300.76	249.80

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1. Related parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	3,604.80	2,010.79	3,604.80	2,010.79
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	5,625.81	7,729.75	1,905.83	2,183.38	6,631.64	9,913.13
Total	5,625.81	7,729.75	4,610.62	4,194.16	10,236.43	11,923.91

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	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1) Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	851.63	469.94	851.63	469.94
2) Other than related parties	739.64	547.45	739.64	547.45
Total	1,591.27	1,017.39	1,591.27	1,017.39



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

58. Regulatory Disclosures

7) Other information			
Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Gross non-performing assets		
	1) Related parties	-	-
	2) Other than related parties	248.06	1,561.17
(b)	Net non-performing assets		
	1) Related parties	-	-
	2) Other than related parties	195.25	1,281.36
(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, 2022	For the year ended March 31, 2021
Amount of funds raised through Perpetual debt instrument during the year	-	-

Particulars	As at March 31, 2022	As at March 31, 2021
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	14.15%	12.71%
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, 2022 and at March 31, 2021

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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

58. Regulatory Disclosures

(xxix) Prudential Floor for ECL

As at March 31, 2022

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, 2022 and March 31, 2021. Accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	7,469.23	40.36	7,428.86	29.86	10.51
	Stage 2	3,001.94	389.61	2,612.34	114.14	275.46
Subtotal		10,471.17	429.97	10,041.20	144.00	285.97
Non-Performing Assets (NPA)						
Substandard	Stage 3	194.46	47.84	146.62	30.66	17.18
Doubtful - up to 1 year	Stage 3	32.00	2.84	29.15	7.70	(4.86)
1 to 3 years	Stage 3	2.17	0.19	1.98	1.62	(1.43)
More than 3 years	Stage 3	19.43	1.94	17.48	13.81	(11.87)
Subtotal for doubtful		53.59	4.98	48.62	23.14	(18.16)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		248.05	52.82	195.23	53.80	(0.98)
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	55.55	0.14	55.41	-	0.14
	Stage 2	-	-	-	-	-
	Stage 3	0.04	-	0.04	-	-
Subtotal		55.59	0.14	55.45	-	0.14
Total	Stage 1	7,524.78	40.50	7,484.27	29.86	10.65
	Stage 2	3,001.94	389.61	2,612.34	114.14	275.46
	Stage 3	248.09	52.82	195.27	53.80	(0.98)
	Total	10,774.81	482.93	10,291.88	197.80	285.13



58. Regulatory Disclosures (Continued)

(xxix) Prudential Floor for ECL (Continued)

As at March 31, 2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	7,686.17	94.42	7,591.75	30.56	63.86
	Stage 2	3,301.29	247.30	3,053.99	13.71	233.59
Subtotal		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



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

(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, 2022
Number of significant counterparties*	19
Amount of borrowings from significant counterparties	4,400.91
% of Total deposits	NA
% of Total liabilities**	58.25%

* "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's total liabilities

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

b) Top 20 large deposits

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

c) Top 10 Borrowings	As at March 31, 2022
Amount of Borrowings from top 10 lenders	3,708.42
% of Total Borrowings	55.09%

d) Funding Concentration based on significant instrument/product*	As at March 31, 2022	
	Amount	% of Total Liabilities**
Market Borrowings		
Non Convertible Debentures	2,804.43	37.12%
Perpetual and Sub-ordinated Debentures	2,153.18	28.50%
Other Borrowings		
Term Loans	1,400.18	18.53%
Cash Credit Lines	374.11	4.95%
Working Capital Demand Loan	-	0.00%

* "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, 2022
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	556%
Other short-term liabilities**, if any as a % of total liabilities	4.95%
Other short-term liabilities**, if any as a % of total assets	2.96%

* "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..



Edelweiss Retail Finance Limited
Notes to the financial statements for year ended March 31, 2022 (Continued)
(Currency : Indian rupees in millions)

I) 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.

59. Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020. Format B - for the year ended 31 March 2022

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	616.68	-	-	-	616.68
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	616.68	-	-	-	616.68

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

60. 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.



Edelweiss Retail Finance Limited

Notes to the financial statements for year ended March 31, 2022 (Continued)

(Currency : Indian rupees in millions)

61. 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 G. D. Apte & Co.

Chartered Accountants

ICAI Firm Registration Number : 100515W

per Chetan R. Sapre
Partner
Membership no: 116952



Place : Mumbai

Date : May 06, 2022

For and on behalf of the Board of Directors

Edelweiss Retail Finance Limited

Shilpa Gattani
Director
DIN: 05124763

Phanindranath Kakarla
Director
DIN: 02076676

MD Tata
Mehernosh Tata
Chief Executive Officer

Jignesh Gaglani
Company Secretary

