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	Corporate Identity Number:
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Annual Report for the	year ended March 31, 2020
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ECL Finance Limited

Annual Report for the year ended March 31, 2020

Board of Directors

Mr. Rashesh Shah

Mr. Venkatchalam Ramaswamy

Mr. Deepak Mittal

Ms. Vidya Shah

Mr. P. N. Venkatchalam

Mr. Biswamohan Mahapatra

Mr. Kunnasagaran Chinniah

Mr. Lim Meng Ann

Ms. Anita George

- Chairman & Managing Director

- Vice Chairman & Non- Executive Director

- Managing Director & Chief Executive Officer

- Non- Executive Director

- Independent Director

- Independent Director

- Independent Director

- Investor Nominee Director

- Investor Nominee Director (appointed w.e.f July 4, 2020)

Chief Financial Officer

Mr. Sarju Simaria

Company Secretary

Mr. Archibold Serrao (appointed w.e.f. May 20, 2020)

Statutory Auditors

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

Registered Office

Edelweiss House,

Off C.S.T. Road, Kalina,

Mumbai - 400098

Corporate Identity No.:U65990MH2005PLC154854

Tel: +91 4009 4400, Fax: +91 4086 3759

Email: <u>CS.CBG@edelweissfin.com</u>

Debenture Trustees

SBICAP Trustee Company Limited

202, Maker Tower - E, Cuffe Parade, Mumbai 400 005 and an office at Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400020

Axis Trustee Services Limited

2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

Tel:- 022 2425 5215 / 5216



Tel: +91 22 4302 5530 Fax: +91 22 4302 5500 E-mail: <u>debenturetrustee@axistrustee.com</u>

Website: <u>www.axistrustee.com</u>

Contact Person: Chief Operating Officer.

E-mail: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact Person: Ms. Savitri Yadav

Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)

Catalyst Trusteeship Limited Windsor, 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East),

Mumbai - 400 098

Tel: 022-49220555; Fax: 022-49220505

E-mail: <u>brindha.venkatraman@ctltrustee.com</u>

Website: www.catalysttrustee.com

Contact Person: Mrs. Brindha Venkatraman

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;

Beacon Trusteeship Limited

4 C& D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai- 400 051

Tel: +91 22 26558759

Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in Contact Person: Mr. Vitthal Nawandhar

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 ECL Finance Limited,

The Directors hereby present their 15th 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, 2020:

Financial Highlights

Standalone

(₹ in million)

Particulars	2019-20	2018-19
Total Income	36,176.53	40,174.58
Total Expenditure	53,851.76	32,345.13
(Loss)/Profit before tax	(17,675.23)	7,829.45
Provision for tax	(3,530.64)	2,170.62
(including Deferred Tax		
and fringe benefit tax, if		
any)		
(Loss)/Profit after tax	(14,144.59)	5,658.83
Other Comprehensive	(0.91)	(3.30)
Income/(Loss)		
Add: Profit and Loss	15,474.12	13,327.50
account balance brought		
forward from previous		
year		
Profit available for	1,328.62	18,983.03
appropriation		
Appropriations		
- Income Tax Impact	-	259.88
on ESOP		
- Impact of Lease	22.87	-
accounting		
- Transfer to special	-	1,131.77
reserve under		
Section 45-IC of the		
Reserve Bank of India		
Act, 1934*		
- Transfer to	-	2,117.26
Debenture		
Redemption Reserve		
- Deemed distribution		
during the year	-	-
Surplus carried to	1,305.75	15,474.12
balance sheet		

Particulars	2019-20	2018-19
Net worth (Net worth =	24,783.61	38,494.52
Equity share capital + Other equity)		

^{*} No Amount was transferred to statutory reserve fund pursuant to section 45-IC of the Reserve Bank of India, Act, 1934 as company has incurred loss during the year.

Note: The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including provision on standard assets), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

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

Major events during the year

a. Investment by CDPQ Private Equity Asia Pte. Ltd.

Your Company entered into Securities Subscription Agreement and Shareholders Agreement with CDPQ Private Equity Asia Pte. Ltd. ("CDPQ"), in the month of March 2019, whereby CDPQ agreed to invest INR equivalent of US\$ 250,000,000 in the Company in various tranches. The Company received its first tranche investment of Rs. 1039.50 Crores (equivalent of US\$ 150,000,000) from CDPQ in May 2019.

b. Application for merger of Edelweiss Retail Finance Limited ("ERFL") with the Company

Your Company has not made any acquisition or amalgamation in FY 2019-20. However, 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 Edelweiss Retail Finance Limited (ERFL) with the Company. 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 ERFL with the Company, which was approved by the RBI on September 27, 2019.

Acquisition of entire stake of Edelweiss Housing Finance Limited ("EHFL")

In order to enable the Company to acquire entire shareholding of Edelweiss Housing Finance Limited (EHFL) from its existing shareholders viz. EFSL (holding 30.35%), Edelweiss Rural & Corporate Services Limited (holding 55.23%) and Edel Finance Company Limited (holding 14.42%), EHFL has made an application dated March 12, 2019 to NHB, seeking its approval for transfer of the aforesaid shareholding to the Company such that the Company would become the holding company of EHFL. In this regard, NHB vide its letter dated October 14, 2019 has communicated that, considering the transfer of regulatory powers over the Housing Finance Companies from the National Housing Bank to the Reserve bank of India with effect from August 9, 2019 pursuant to the provisions of the Finance Act 2019, the said application of EHFL for change in shareholding pattern from current shareholders to ECL Finance Limited has been forwarded to RBI.

d. Acquisition of the identified portfolio of assets of Edelweiss Finyest Private Limited

During the year under review, the Company acquired the identified pool/ portfolio of assets of Edelweiss Finvest Private Limited (EFPL) (one of the fellow subsidiaries), amounting to Rs. 17,780 millions. pertaining to its Wholesale Lending Business consisting of real estate and structured collateralized credit ("Business").

Reserves and Surplus

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

Share Capital:

The Company allotted 1000 Equity Shares of face value of Re. 1/- each, at a premium of Rs. 31.00/- each aggregating to Rs. 32,000 to CDPQ Private Equity Asia Pte. Ltd (CDPQ) in May 2019.

As at March 31, 2020, Authorised Share Capital and Paid up Share capital of the Company stands at Rs. 6,740 million and Rs. 2,138.27 million respectively.

Finance

Your Company continued to borrow funds from various sources - in the form of Commercial Papers and Non-Convertible Debentures (NCDs) offered through public issue and on private placement basis.

During the year under review, the Company raised ~Rs. 64.16 Crores by way of Private Placement of NCDs, ~Rs. 732.6 crores by way of Public Issue of NCDs, in various tranches, ~Rs. 7,040 crores by way of Commercial Papers (episodic), ~Rs. 1,065 crores by way of Commercial Papers (non-episodic) and Rs. 1,325 crores as bank borrowing.

The Company allotted 103,949,680 Compulsorily Convertible Debentures (CCDs) of face value of Rs. 100/- each at a price of Rs. 100/- per CCD to CDPQ, aggregating to Rs. 1,039.50 Crores.

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:

During the year under review, neither did your Company have any Subsidiary or Associate Company, nor did it enter into any Joint Venture Agreement under the provisions of the Companies Act, 2013.



Our network of offices

We operate through a wide network of 112 offices as of March 31, 2020 spread across 21 States. 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 under review, 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 bodycorporate are not applicable, as the Company is a Non-banking Finance Company.

Related Party Transactions

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. Particulars of contracts or arrangements with the related parties as referred to in sub-section (1) of Section 188 and forming part of this report are provided in the financial statement and also annexed as **Annexure V** (Form AOC-2). 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://eclfinance.edelweissfin.com/.

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

There has been no Material changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates (i.e. March 31, 2020) and the date of the report.

Extract of Annual Return

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, an extract of the annual return in Form No. MGT 9 is available on the website of the Company at https://eclfinance.edelweissfin.com/

Directors and Key Managerial Personnel

(i) Independent Directors

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

(ii) Change in Directors

- a) Mr. Lim Meng Ann was appointed as Nominee Director, representing CDPQ Private Equity Asia Pte. Ltd., in the capacity of Non-Executive Director with effect from May 7, 2019. The office of Mr. Lim Meng Ann shall not be liable to determination by rotation. The shareholders of the Company confirmed his appointment as Nominee Director at their meeting held on May 7, 2019.
- b) Ms. Anita George (DIN 00441131) have been appointed as Additional Director (being the nominee of CDPQ Private Equity Asia Pte. Ltd.) by the Board of Directors in its meeting held on July 4, 2020 post receipt of approval of the Reserve Bank of India. RBI vide its letter dated May 26, 2020 had approved appointment;
- Mr. Himanshu Kaji (DIN: 00009438) resigned from the Board of the Company with effect from July 1, 2019; and



d) Mr. Venkatchalam Ramaswamy (DIN: 00008509) retires by rotation at the forthcoming Annual General Meeting (AGM) and, being eligible, offers himself for reappointment.

(iii) Key Managerial Personnel

There were following changes in the Key Managerial Personnel of the Company:

Name of the	Nature of	Effective
KMP	Change	Date
Mr. Himanshu	Resigned as	July 01,
Kaji	Executive	2019
	Director	
Mr. Jitendra	Resigned as	November
Maheshwari	Company	30, 2019
	Secretary	
Mr. Archibold	Appointed as	May 20,
Serrao	Company	2020
	Secretary	

Number of Board Meetings held

During the year ended March 31, 2020, the Board met 7 (Seven) times on April 12, 2019, May 7, 2019, May 13, 2019, June 25, 2019, August 13, 2019, November 11, 2019, and February 13, 2020

Remuneration Policy:

The Company has formulated a Remuneration Policy ("Policy") as per the provisions of Section 178 of the Companies Act, 2013. The said Policy is provided as **Annexure II** to this Report and is also placed on the website of the Company viz. https://eclfinance.edelweissfin.com/

Evaluation of the performance of the Board

The Board has framed an Evaluation Policy ("the Policy") for evaluating the performance of the Board, Chairman, Executive Directors, Independent Directors, Non-executive Directors and Committees of the Board. Based on the same, the performance was evaluated for the financial year ended March 31, 2020.

The Policy *inter-alia* provides the criteria for performance evaluation such as Board effectiveness,

quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders', contribution of the Committees to the Board in discharging in its functions, etc.

Internal Control Systems

The internal controls of 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 assurance with regard to maintaining proper accounting controls, substantiation of financial statement and adherence to IND AS requirements, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act 2013.

The Company follows below assurance practices to strengthen its Internal Control Framework:

- COSO framework is implemented by considering 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 identifying relevant and adequate coverage by defining scope of internal audit, pro-actively prepare for regulatory review, remediating through preventive and corrective steps for identified risk events.
- Reliability of internal controls are aligned to risk identified in Risk Control Self-Assessment (RCSA)/ERM and are monitored through process reviews, Internal Financial Control review etc. Further, RCSA/ ERM are updated at regular interval considering any emerging risk / new process identified.
- Effective and efficient processes through automation of processes and review mechanism, control dashboard and its monitoring and benchmarking with peers, wherever possible.

 Standardization through Standard Operating Procedures (SOP) which emphasize on documentation and its repository of existing and new process along with delegations and controls. Also, Frameworks and policies (Internal / Regulated) are updated and reviewed at regular intervals to enhance 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 Organizations' of the Tredway Commission. Based on its internal evaluation and as confirmed by the Statutory Auditors of the Company, the management team believes that adequate internal financial controls exist in relation to its Financial Statements.

Risk Management

Risk management is an integral part of the Company's business strategy. It maintains a robust risk management framework to identify, assess, manage, prioritize, monitor and report risks. It makes decisions based on a conscious and careful risk-return trade-off in line with the defined strategy and within its risk appetite. It ensures financial stability and continuity of the business by monitoring its risk profile periodically and ensuring risk management activities are executed effectively to manage the overall Risk levels within approved limits.

The risk strategy of the Company primarily starts with evaluating all the decisions based on the following two questions that we put to ourselves: "Is it worth it?" and "Can we afford it? "To support the risk strategy and effective risk management, the Company has a "Three lines of Defense" model in place. The same assists the management to ensure accountability, oversight and assurance. To achieve sound governance and a strong risk culture it follows a framework, which takes 1) Strong risk governance, 2) Risk assessments and 3) Prompt risk management actions into consideration.

The Company takes multiple initiatives to improve and maintain Risk Culture through Education & Awareness Programs on a continuous basis. It

believes in promoting fair and no-blame risk culture and encourage employees to speak up, highlight and own risks without fear. Management expects all employees to contribute to a sound risk culture and deal responsibly with risk and dilemmas, carefully consider the interest of the various stakeholders.

In the recent pandemic situation and challenging unpredictable environment, the Company has put all its efforts in recognizing related risks and readjusting itself towards the changed environment arising out of Covid -19 by having effective collaboration between Processes, Technology, Systems, and it's People (senior leaders and others). The robust risk management practices and sound risk governance framework has helped the organization to face and manage this crisis scenario.

The Risk Management Committee oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel. In accordance with the RBI circular on Risk Management System - Appointment of Chief Risk Officer (CRO) for NBFCs dated March 16, 2019, the Company has appointed Mr. Smit Shah with effect from July 4, 2020 in place of Mr. Prakash Guptas Chief Risk Officer (CRO) of the Company who resigned with effect from even date. The CRO is involved in the process of identification, measurement and mitigation of risks. All credit products (retail or wholesale) is vetted by the CRO from the angle of inherent and control risks. His role in deciding credit proposals is limited to being an advisor. During the year under review, the Risk Management Committee met 4 (four) times on April 16, 2019, September 18, 2019, November 11, 2019 & February 19, 2020. The constitution and the number of meetings attended by the Members of the Committee during the year under review is given below:

Member	Category	Meeting	Meeting
		s held	s
			attended
Mr. Deepak	Managing	4	4
Mittal	Director &		
	CEO		
Mr.	Independen	3	3
Kunnasagaran	t Director		
Chinniah			
Mr.	Independen	3	3
Biswamohan	t Director		
Mahapatra			

Member	Category	Meeting s held	Meeting s attended
Mr. P. N. Venkatachala m	Independen t Director	3	3
Mr. Venkatchalam Ramaswamy	Non- Executive Director	3	2
Mr. Lim Meng Ann	Investor Nominee Director	3	2
Mr. Kulbir Singh Rana		1	1
Mr. Ram Yadav		1	1
Mr. Smit Shah		1	1
Mr. Viraj Baragade		1	1

Note:-

The Committee was last reconstituted on July 31, 2019 and accordingly, Mr. Kulbir Singh Rana, Mr. Ram Yadav, Mr. Smit Shah and Mr. Viraj Baragade ceased to be Members of the Committee.

Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), the Board of the Company has constituted an Audit Committee. During the year under review, the Audit Committee met 4 (four) times on May 13, 2019, August 13, 2019, November 11, 2019 & February 13, 2020. The constitution and the number of meetings attended by the Members of the Audit Committee during the year under review is given below:

Member	Category	Meeting s held / Liable to attend	Meeting s attended
Mr. P. N. Venkatachala m	Independen t Director	4	4
Mr. Biswamohan Mahapatra	Independen t Director	4	4
Mr. Lim Meng Ann	Investor Nominee Director	4	3
Ms. Vidya Shah	Non- Executive Director	2	2

Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013, (the Act), the Board of the Company has constituted a Nomination and Remuneration Committee (NRC). During the year under review, the Nomination & Remuneration Committee met 4 (four) times on May 7, 2019, May 13, 2019, November 11, 2019 & February 13, 2020. The constitution and the number of meetings attended by the Members of the NRC during the year under review is given below:

Member	Category	Meetin gs held / Liable to attend	Meetin gs attende d
Mr. P. N. Venkatachala m	Independe nt Director	4	4
Mr. Biswamohan Mahapatra	Independe nt Director	4	4
Ms. Vidya Shah	Non- Executive Director	4	4
Mr. Lim Meng Ann	Investor Nominee Director	3	1

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board has constituted a Corporate Social Responsibility Committee. During the year under review, the Corporate Social Responsibility Committee met twice on May 13, 2019 & August 13, 2019. The constitution and the number of meetings attended by the Members of the CSR Committee during the year under review is given below:

Member	Category	Meeting s held	Meeting s attended
Mr. Himanshu Kaji*	Executive Director	1	1
Ms. Vidya Shah	Non- Executive Director	2	2



Member	Category	Meeting s held	Meeting s attended
Mr. Deepak Mittal	Managing Director & CEO	NIL	NIL
Mr. P. N. Venkatachala m	Independen t Director	2	2
Mr. Kunnasagaran Chinniah	Independen t Director	NIL	NIL
Mr. Lim Meng Ann	Investor Nominee Director	2	0

^{*} Mr. Himanshu Kaji resigned w.e.f. July 1, 2019.

The CSR Policy of the Company is available on the website of the Company i.e. https://eclfinance.edelweissfin.com/. The details with respect to the CSR Policy and expenditure made by the Company during the year under review are provided in **Annexure III** to this report.

Stakeholders Relationship Committee

In accordance with the provisions of Section 178 of the Act, the Board of Directors of the Company have constituted the Stakeholders Relationship Committee ('SRC Committee'). During the year under review, the Stakeholders Relationship Committee met twice on May 13, 2019 & November 11, 2019. The constitution and the number of meetings attended by the Members of the SRC Committee during the year under review is given below:

Member	Category	Meeting	Meeting
		s held	s
			attended
Mr. P. N.	Independen	2	2
Venkatachala	t Director		
m			
Ms. Vidya Shah	Non-	2	2
	Executive		
	Director		
Mr. Deepak	Managing	2	2
Mittal	Director &		
	CEO		

Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), M/s. S. R. Batliboi & Co. LLP, has been appointed as the Auditors of the Company to hold office till the conclusion of 18th AGM of the Company.

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, 2020. A report issued by the Secretarial Auditors is attached herewith as **Annexure IV**. The Secretarial Audit Report does not contain any qualifications, reservations and adverse remarks.

<u>Prevention of Sexual harassment of Women at Workplace</u>

The Company has framed a Policy on Prevention of Sexual Harassment at workplace. There were no cases reported during the year ended March 31, 2020 under the Policy, which was duly addressed and closed. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

A. Conservation of energy

(i) Steps taken or impact on conservation of energy:

The operations of your Company are not energyintensive. 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.
- (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) Digitization & digitalization across various business verticals is in progress.
- Most of the business functions & operations are working towards streamlining & optimizing the business workflows via technology absorption.
- c) Over 30% of legacy applications have been, either consolidated, or decommissioned; & have been replaced with digital workflows & modern technology solutions.
- d) Engineering of better technology solutions & elimination of fragmented applications, legacy applications, or applications functioning in silos; is a continuous process; that shall continue in-parallel; so that there are no outages & zero business continuity risks
- 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 cuttingedge tech stack.

(ii) 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.

 d) Cost & resource optimization of ownership & upkeep of multiple applications [manpower, infrastructure, support, maintenance].

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

- a) the details of technology imported
- b) the year of import
- whether the technology been fully absorbed; and
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

- Not Applicable

(iv) <u>The expenditure incurred on Research and</u> Development:

- a) We do not have a dedicated R&D division.
- b) We have been adopting cutting edge technology stack (low-code / no-code development platform, etc.) & unconventional models for solution engineering; for fastest go-to-market product deliveries

C. Foreign exchange earnings and outgo

There were no foreign exchange earnings during the year under review. There was outgo of ₹137.90 million (previous year: ₹ 10.83 million). Further, the Company received an investment of Rs. 1039.50 Crores (equivalent of US\$ 150,000,000) from CDPQ in May 2019, as disclosed above.

Other Disclosures

No disclosure is required in respect of the details relating to issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2020. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. No material changes have occurred between the end of financial year i.e. March



31, 2020 and the date of the report affecting the financial position of your Company. Further, no fraud was reported by the Auditors under sub-section (12) of section 143 during the year under review. The Company has complied with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

Deposits

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

Whistle Blower Policy/Vigil Mechanism

The Company has established Vigil Mechanism ('Whistle-blower Mechanism') which envisages reporting by directors and employees about their genuine concerns or grievances. The policy is uploaded on www.edelweissfin.com. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism.

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

The Company didn't appoint any Independent Director during the year under review. However, in the opinion of the Board, all the existing Independent Directors meets the standards of the Company with regard to integrity, expertise and experience (including the proficiency). Further their name have 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 to the Board's Report as **Annexure VI**. With respect to the provisions of Section 136 of the Companies Act, 2013, the Annual Report excluding the said information is being sent to the shareholders of the Company. Any shareholder

interested in obtaining such particulars may write to the Company Secretary of the Company at its Corporate Office address.

Debenture Trustees

SBICAP Trustee Company Limited

202, Maker Tower – E, Cuffe Parade, Mumbai 400 005 and an office at Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400020

Tel: +91 22 4302 5530 Fax: +91 22 4302 5500

E-mail:

corporate@sbicaptrustee.c om

Website:

www.sbicaptrustee.com Contact Person: Ms. Savitri Yadav

Axis Trustee Services Limited

2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai -400 025.

<u>Tel:- 022</u> 2425 5215 / 5216

F-mail:

debenturetrustee@axistr

ustee.com Website:

www.axistrustee.com Contact Person: Chief Operating Officer.

Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)

Office: 'GDA House', Plot No 85, Bhusari Colony (Right), Kothrud, Pune – 411038

Tel: 022-49220555 Fax: 022-49220505

E-mail:

brindha.venkatraman@ctlt rustee.com

Website:

www.catalysttrustee.com Contact Person: Mrs. Brindha Venkatraman

Beacon Trusteeship Limited

4 C& D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai-400 051 Tel: +91 22 26558759 Email: compliance@beacontrus

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Contact Person: Mr. Vitthal Nawandhar

Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (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, 2020 and of the loss 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) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

ECL Finance Limited

Sd/- Sd/-

Rashesh Shah Deepak Mittal
Chairman & Managing Director

Managing Director & CEO

DIN: 00008322 DIN: 00010337

July 4, 2020 July 4, 2020 Mumbai Mumbai



Annexure I Management Discussion & Analysis Report

MACRO ECONOMY: REVIEW AND OUTLOOK

From 'moment of excitement' (2000-10) — as John Keynes would have put it - to lingering 'uncertainty' (2011-19), Emerging Markets (EM) have seen a remarkable reversal of fortunes and their growth models changed from being export-led to domestic demand-led. Fed's repeated attempts at tightening (2013, 2015, 2018) were met with EM turmoil, India being no exception. However, when Fed started its Balance sheet expansion from October 2019, global economy was eyeing at a modest uptick, only to face a speed breaker in the form of COVID-19 Pandemic. However, this too has a silver lining — COVID-19 has resulted in a unified monetary and fiscal expansion across developed economies.

Against this backdrop, how is India stacked up? Indian economy was stabilizing post the economic slowdown owing to large liquidity injections from the RBI. Systemic liquidity has been running in surplus for last ~12 months. On the reforms front, India made considerable progress with corporate tax rates reduction.

On the monetary policy front, RBI has been accommodative by cutting policy rates by 250 bps since April 2019. It indicated in its announcement on May 22, 2020 that post the Pandemic, real GDP is likely to contract in FY21 and hinted that if inflation progresses as per expectation, more room for rate cuts will open up.

On the fiscal front, government maintained fiscal prudence in FY20 though the recent stimulus package would cause a dent. This has resulted in India's macro stability being significantly anchored. From being a current account deficit country, India is on the path of having a current account surplus.

Now, with the COVID-19 crisis, operating conditions are challenging in the near term with the FY20 GDP growth at 4.2% which is likely to slip into negative territory in early part of FY21. Bringing back the economy on a growth path would be arduous. However, such crises also present opportunities. We see two big opportunities for India. First, the sharp fall in oil prices. Second, the narrative today globally is to diversify facilities from China. In this context, given India's large size it should benefit from the same and it is important we capitalize on these opportunities.

Overall Outlook

While near-term outlook post lockdown is clouded with challenges, we believe that the medium term looks brighter. As developed markets continue with fiscal and monetary expansion, EMs will benefit significantly on the exports front. India could potentially be a big winner of these. On the flip side, however, a prolonged COVID-19 crisis across the world has the potential to play the spoil sport.

Therefore, it is expected that while economic activity will remain muted in FY21, it should start to gain traction gradually afterwards.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Commercial Credit Markets

Banking Industry

FY20 has been a tough year for banks. Coming out of softer 9MFY20, the impact of COVID-19 did not help the cause either. The system credit growth fell sub-7% levels for FY20 given the muted fourth quarter, which is usually the strongest quarter.

FY20 also saw volatile asset quality in banks with incremental stress remaining higher and witnessed the bail out of a private sector bank. Going forward we see our prognosis of systemic asset quality rather bleak, and we believe that long-term costs of the



current economic dislocation remain a known unknown.

The developments over past few months which led to liquidity crunch resulted in risk aversion towards NBFCs/HFCs as incremental liquidity became expensive. Even while to an extent the banks benefitted from softened competition, the overall demand scenario suffered and credit outlook remains vulnerable.

NBFC Industry

The past few months have been volatile for NBFCs with a couple of events combined with market chaos triggering fears of a liquidity crisis. However, most of these fears have remained unfounded as most players were well-capitalized to handle any short-term market dislocation. However, funding did become more expensive in this backdrop, especially for players dependent on debt market with relatively shorter duration. As a result, risk appetite waned impacting growth of the NBFC sector as they focused more on liquidity management rather than asset growth.

The recovery following that has been gradual, aided by regulator's support, and the situation is improving, albeit very slowly. The growing relevance of NBFCs also highlighted the emphasis of risk management in the sector and most NBFCs emerged stronger with better balance sheet strength and no perceptible worsening of asset quality.

Going forward, while the segment is not entirely out of woods, comfortable capital position, control on asset quality and strengthened liquidity management practices provide comfort. Within NBFCs, well run business models with stronger balance sheets, prudent risk management practices and limited vulnerability to earnings will emerge stronger.

Retail Finance

India has one of the lowest credit penetration among larger economies and retail credit presents a large

growth opportunity driven by long term trends in democratization of credit, rising household incomes and increased consumption. However, current challenges turn consumption driven story on its head. We expect growth will remain challenging with players also tightening risk metrics to reflect the ground realities.

Retail focus areas for the banks and NBFCs/HFCs have been mortgages and Mudra Finance or MSME finance. There were three key challenges faced in these businesses - Economy slowing down, Liquidity crunch and impairment in customer credit quality. Business environment was exacerbated towards the end of FY20 due to the Pandemic because of which MSME supply chain has been affected and payments/liquidity has dried up. Hence the performance of NBFCs in these sectors was muted during FY20. While we firmly believe in longer term potential for NBFCs/HFCs to scale up these portfolios, near to medium term will be challenging before they embark upon growth trajectory again.

ECL FINANCE OVERVIEW

A DIVERSIFIED NBFC

ECL Finance Limited (ECLF) was incorporated on July 18, 2005 as a wholly owned subsidiary of Edelweiss Financial Services Limited (EFSL). It is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India. ECLF is primarily engaged in the business of financing, corporate lending, lending to individuals and investments.

Our Company has obtained a certificate of registration dated April 24, 2006 bearing Registration No. N- 13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of Non-Banking Financial Institution not accepting public deposits subject to the conditions mentioned in the Certificate of Registration.



At ECLF, we offer a wide range of products and services for Retail as well as Corporate as well as Clients with a clear focus on client requirements while designing our products.

We are part of the Edelweiss Group which is one of India's prominent financial services organization having businesses organized around three **broad business groups:**

- Credit business including Retail Credit and Corporate Credit,
- Advisory business including
 - Edelweiss Global Investment Advisors (EGIA), which includes Wealth Management, Asset Management and Capital Markets,
 - Asset Reconstruction, and
- Insurance including Life and General Insurance.

Today, ECLF is a Rs.**233.63** billion asset base company with presence in all the significant areas of retail credit businesses including SME, Agri and LAP loans, ESOP & IPO funding, and corporate credit business. A broad range of products allows it to address a considerable part of the financial needs of a diverse set of customers.

As a result of our strategy of calibrated growth along with prudent risk management, ECLF has demonstrated a strong track record of growth over last several years though FY20 has been muted due to multiple challenges being faced by NBFC industry in India in the recent past.

FINANCIAL PERFORMANCE HIGHLIGHTS

With the macro-economic indicators starting to deteriorate, business sentiment turning bearish, liquidity crunch setting in for NBFCs/HFCs during FY20 and finally the impact of COVID-19 Pandemic coming in towards the closure of the financial year, ECLF's focus during the year shifted to risk management including control over asset quality and liquidity management rather than asset growth. This resulted

in a temporary setback to the growth momentum it had achieved in the past few years. However, our strong business fundamentals have empowered us to stand strong even during the headwinds faced by NBFC industry. At the same time, we devoted the year to cleaning the balance sheet, improving productivity of our employees, ensuring quality of credit and customers we lend to and building infrastructure including state of the art technology to be ready to partake our share of growth when it returns.

FINANCIAL HIGHLIGHTS FOR FY 20

A summary of our Standalone FY20 financial highlights is as under:

- Total Revenue Rs.36,177 million (Rs.40,175 million for FY19), down 9.95%
- (Loss)/Profit after Tax Rs.(14,145) million (Rs.5,659 million for FY19),
- Networth Rs.20,031 million (Rs.37,008 million at the end of FY19)*
- Return on Average Equity NA (16.77% for FY19)
- Return on Average Assets NA (2.10% for FY18)
- (Loss per share)/EPS Rs.(6.61) (Rs.2.73 for FY19)
 (FV Rs.1.00 per share)

INCOME

Fund Based Revenue

Fund based revenue comprises of interest income and revenue from treasury and dividend income.

Interest income continued to be a major contributor to the gross revenue from Operations at Rs.33,730 million as against Rs.37,594 million during the previous year, constituting around 93.24% of the total revenue from operations. Decrease in interest income is due to decrease in average lending during the year.

Revenue from treasury and dividend income were stood at Rs.1,049 million as against Rs.1,258 million during the previous year, constituting 2.90% of total revenue from operations.

^{*}Excluding Deferred Tax Assets.



Fee & Commission

Our fee & commission revenue was Rs.1,369 million for the year, compared to Rs.1,173 million in FY19, up 16.68%.

Net Revenue

For NBFCs, like banking industry, the concept of Net Revenue (net of interest cost) is another way of analyzing the performance. This is because interest cost, as with all Banks and large NBFCs, should reflect above the expenses line. On a net revenue basis, our fee & commission for FY20 was Rs.1,369 million (Rs.1,173 million for FY19) and Interest Income and Fund based revenue, i.e. net of interest cost, all the interest cost being for fund based revenue, was Rs.10,514 million (Rs.14,454 million for FY19). Thus the total net revenue for FY20 was Rs. 11,883 million (Rs. 15,628 million for FY19), down 23.96%. In addition, the Other Income for FY20 was Rs.28 million, compared to Rs.149 million in FY19.

EXPENSES

Our total costs for FY20 was Rs.53,852 million (Rs.32,345 million in FY19), up by 66.49%.

Credit Cost:

The Company completed its re-assessment of probability of default, loss given default in respect of exposures to certain sectors that were experiencing operational challenges. Credit and market risks for certain counter parties increased significantly relative to such risks at initial recognition, resulting in recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended March 31, 2020. Management judgement for expected credit losses and gain/loss on fair values changes has been accentuated on account of factors caused by the COVID-19 pandemic. Accordingly, the Company has recorded for the year ended March 31, 2020, an amount of Rs. 11,253 millions towards impairment on financial instruments, Rs. 12,102 towards net loss on derecognition of financial instrument.

Employee benefit expenses:

Employee benefit expenses for FY20 were Rs.1,736 million (Rs.2410 million in FY19), down by 27.97%.

Other expenses:

Other expenses including depreciation and amortisation for FY20 were Rs.4,495 million (Rs.3,068 million in FY19), up by 46.53%.

PROFIT AFTER TAX

The company has posted loss after Tax of Rs.14,145 million for FY20 against profit after tax of Rs.5,659 for FY19.

The company has not paid any dividend in FY20.

Analysis of Profitability

The company has posted loss after Tax of Rs.14,145 million for FY20 on the back of lower profitability on account of;

- Loss recognised on sale of financial assets/loans which were under stress to asset reconstruction companies (INR ~50,000 millions).
- Recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended March 31, 2020

Balance Sheet Gearing

For an NBFC like ECLF, financial capital is one of the most important resources. We believe that a strong balance sheet imparts unique ability to our company to be able to meet demands of our large clients, capture any episodic opportunities and be able to raise debt capital whenever required. ECLF has a total net worth of Rs.20.00 billion as at the end of FY20 compared to Rs.37.00 billion at the end of FY19. Amount of debt on the Balance Sheet as on March 31, 2020 was Rs.201.60 billion (Rs.228.15 billion as on March 31, 2019), a Gearing Ratio of 5.44 times. Excluding the asset specific borrowings against



government securities, the Net Gearing Ratio is ~5.21 times. The gross Balance Sheet size at the end of FY20 was Rs.233.63 billion compared to Rs.274.65 billion a year ago.

ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

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

- 1. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:
- (a) Debt Equity Ratio 5.44 at the end of FY20 compared to 5.93 at the end of FY19. This was due to lower borrowings on the back of degrowth in the credit book and issuance of Compulsory convertible debentures to CDPQ which is being added to equity while arriving at Debt Equity ratio.
- (b) Operating Profit Margin, Net profit margin and Return on Average Equity are in negative on the back of posting of loss by the company in FY20 compared to, 19.40%, 14.09% & 16.77% respectively in FY19

Other parameters, namely Debtors Turnover, Inventory Turnover, Interest Coverage Ratio and Current Ratio, are not applicable to our company.

AGREEMENT WITH CDPQ

Towards the end of FY19, we announced an agreement with CDPQ, one of North America's largest pension fund managers, in terms of which CDPQ will invest over Rs. 18 billion (~US\$250 million) in our company. CDPQ will partner us in the long term strategy to build a large and diversified credit

platform in India. The first tranche of the investment amounting to Rs. 10.40 billion (US\$150 million) was received during the first quarter of the year under review. This investment also ensures that ECL Finance has the requisite resources for rapid growth – organic and inorganic to take advantage from expected industry consolidation.

BUSINESS SEGMENT-WISE PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY20 are as under:

CREDIT BUSINESS

Credit business of ECLF offers retail credit including SME, Agri and LAP loans, ESOP & IPO funding, and corporate credit including structured collateralised loans and real estate developer finance.

At Edelweiss, we have built a significant competitive position in the credit business that is spread across wholesale and retail finance segments. It has both robust size and scalability. Our growth aspiration is fueled by a deep understanding of customer needs and an innovative product suite aligned to meet their requirements. Our competitive edge will come from investments in direct technology platform and next generation data analytics as we scale across SME, agri-loans and rural finance etc.

Total gross credit book of ECLF stands at Rs.136.32 billion at the end of this year compared to Rs.244.08 billion at the end of previous year.

The composition of Credit Book as on March 31, 2020 is as under: (Rs. In million)

Product/Segment	As at March 19	As at March 20
Agri Commodities	2.63	1.31
Loan against Properties	21.66	17.92
Loan against Securities	36.35	12.16
SME & Others	40.38	17.69



Structured Collateralised Credit	47.93	28.80
Wholesale Mortgages	95.14	58.44
Total Credit Book	244.08	136.32

Total Credit book has grown at CAGR of 37.60% for the last 10 years.

The **asset quality** of the overall credit book continued to remain under control in spite of headwinds with Gross NPLs at 3.76% and Net NPLs at 3.27% as on March 31, 2020 compared to 2.33% and 0.97% respectively a year ago. The specific Provision Coverage Ratio (PCR) on Gross NPLs was 13.54% at the end of FY20 compared to 59.05% at the end of FY19. Total Provision Cover including the expected credit loss provision on stage I and II assets is 158.58% at the end of this year compared to 107.58% at the end of FY19.

We continue to focus on risk management and achieving growth in the book without diluting risk standards. Thus we have been able to maintain stable asset quality across cycles in spite of headwinds and gradual transition to 90+ days past due (DPD) norms from 180+ DPD since April 01, 2015.

Wholesale Book Reduction

In line with our stated strategy to reduce wholesale exposure, we have reduced book size by ~Rs.56 billion from Rs.141 billion in September 2019 to Rs.86 billion in March 2020. We have achieved this through moving the wholesale business to an asset management platform: (i) AIF where we can organize for last mile funding like we did in November 2019 with Meritz, a Korean company for Rs.11 billion; (ii) ARC sales where the ARC is a better platform because of inherent resolution/recovery capability.

BALANCE SHEET MANAGEMENT

For any large NBFC like ours, its capital forms the most important resource, besides the human capital. From

its earliest days, ECLF has recognised this and has always focused its energies in creating a strong and liquid balance sheet. A strong balance sheet also enables us easier access to market borrowings on the back of a strong credit rating. The Government Securities amounting to Rs.7463 million that we hold in our Investment Portfolio help us in the liquidity management as we are able to borrow on an overnight basis from CBLO market against these securities. A liquid balance sheet simultaneously enables ECLF to redeploy capital efficiently towards business opportunities that appear at short notice.

With enhanced monitoring of liquidity cushion, we could successfully navigate the liquidity crunch in the second half of FY20 meeting our entire maturing obligation on time or even ahead of time in some cases.

Changing Liabilities Profile in Sync with Asset Profile ECLF has not only continued to maintain a liquid balance sheet, but over the last six years has embarked on a strategy of reducing dependence on market borrowings and increasing liabilities in the six months to five years bucket thereby bringing down dependence on short term borrowings significantly.

Towards this end, FY20 witnessed ECLF contracting over Rs.11.73 billion of medium to long term debt (NCDs) with Mutual Funds, Insurance Companies, Banks, and Pension & Provident Funds. In addition, gross issuance of Market Linked Debentures (Structured Products) by ECLF amounted to Rs.0.64 billion during FY20. The outstanding amount of Market Linked Debentures as at the end of FY20 was Rs.5.10 billion which also provides us medium term resources. In addition, our sanctioned lines of credit from a consortium of banks & Financial Institutions were Rs.126.70 billion at the end of FY20 compared to Rs. Rs.158.35 billion at the end of FY19. The consortium of banks extending credit facilities to ECLF is led by the Union Bank of India.

Diversification of Sources of Funding



We have also diversified the sources of borrowings by tapping newer lenders from among Banks, Life Insurance companies, Pension and Provident Funds, and International Investors etc. during FY20. ECLF continued to diversify its sources of funding by tapping new investors who invest in long term dated securities.

As a result of conscious efforts, we have reduced the dependence on short term money market borrowings and diversified our sources of borrowings over the last six years.

ECLF continues to maintain healthy liquidity in the form of overnight funds and liquidable assets which can be liquidated on demand. The robust liquidity

Particulars	March	March	March	
as on	31, 2018	31, 2019	31, 2020	
CRAR	15	15	15	
prescribed by				
Total CRAR	17.09%	19.27%	21.02%	
Out of which:				
Tier I	11.82%	14.27%	10.51%	
Tier II	5.27%	5%	10.51%	

OPPORTUNITIES

Despite the current economic downturn being exacerbated by the Pandemic, the long term growth story of India and the trend of compounding growth remains in place. At the same time, while FY21 will be a year of resilience, demand for credit in India will continue to offer immense opportunities in future for firms like us as under:

- The financialization of Indian household savings, low credit penetration and demand for consumption are presenting newer opportunities, notwithstanding the current dip, in the areas like retail credit which is our focus area.
- Democratization of credit, increased availability of credit for SME sector augur well for companies like ours which already have a strong foothold in this segment.

management, diversification of sources, reduction in short term borrowings and increased duration of our borrowings has helped to strengthen our liability profile. As a result, we not only have a comfortably matched ALM profile, we have even improved it.

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%. Our CRAR over the period of last three years is as under:

• The monsoon has already set in on time this year and is expected to be a normal one. Agriculture production is likely to continue to grow in FY21 fuelling consumption which augurs well for the overall economy.

The expected return of growth in the Indian economy in FY22 would continue to offer opportunities for us to grow.

THREATS

While the opportunities landscape is promising in the medium term, following threats could dampen the growth of NBFCs in India:

- Slower than expected recovery of macroeconomy, domestically as well as globally or a prolonged COVID-19 Pandemic can impact the growth
- While the oil prices currently are benign, any Increase in oil prices on the back of any geopolitical conflicts or delay in revival of capex cycle can also impede growth.
- If the current tight liquidity situation does not normalize soon, it could affect the natural growth of the NBFC sector.



OUTLOOK & STRATEGY

With the GDP growth sliding down to 4.2% for FY20 and real GDP likely to fall into negative territory in FY21, the outlook in short term is uncertain. However, our belief in the long-term India story continues to remain the same and growth opportunities will stage a comeback sooner than later.

Despite the stimulus packages implemented by the Government to alleviate the impact of the Pandemic across various segments, the outlook for inflation and interest rates remains positive. The government will now go into a fiscal expansionary mode and with the regulator also pushing growth through rate cuts, we expect growth to come back in FY22 in a calibrated manner.

The new normal post COVID-19 will also need a significant re-thinking in the way NBFCs do business. There will be an enhanced focus on equity capital, liquidity management and resources side of the balance sheet. The industry may continue to face challenges in resources mobilization with Mutual Funds not willing to lend beyond the top few NBFCs and banks adopting a risk averse approach. Asset side challenges as a fallout of the economic downturn and liquidity squeeze will lead to NBFCs allocating more resources to risk management rather than worrying about growth in FY21. Given this scenario, we should expect a muted FY21 with normalcy returning gradually in FY22.

As we look ahead for ECLF, while FY20 was devoted to cleaning up and strengthening the balance sheet, liquidity management and risk management, we see lot of promise and opportunity in the medium term. At Edelweiss, we have done fairly well in managing risks till now while balancing it with the growth vector, and we should be able to combine scale and efficiency going forward.

In preparation for the next phase of growth, we have raised equity though the credit business will prioritise conserving liquidity and maintaining asset quality over book growth in FY21. Our debt to equity ratio is significantly lower now due to asset book shrinkage and it provides us ample headroom for growth when the business environment improves. We have cleaned up our balance sheet in FY20. At the same time, we will continue with the strategy to hold excess liquidity and equity capital. We will also use technology to be a key business drives to help us deliver superior customer experience and rationalise costs.

FY21 will be the year of resilience, as the economy recovers. We will continue to focus on creating value for stakeholders. Our customer base has kept faith with us. Our talent pool is unmatched and closely aligned with the interests of our stakeholders. Our global partner continues to be staunch in their support even during these difficult times. As in the past, Edelweiss will emerge stronger once the current crisis blows away.

ENTERPRISE GROUPS

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

GOVERNANCE

At Edelweiss Group, we believe in the philosophy that well governed organisations tend to last longer and that governance is the fulcrum around which entire financial sector thrives. Hence, Governance is at the heart of everything we do and it transcends beyond compliance extending to ethics and values as well.

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 attaches highest importance to Governance and thus sets tone of culture flowing from top throughout the fabric of our organisation. Board has set a very high benchmark on the standards to be adhered to. Board of ECLF sets higher standards on ethics, integrity, transparency and fairness leading us to build good framework for conduct, behaviour and process oversights at organization level.

In order to promote good governance culture, we have self-defined rules for good behaviour and conduct at individual as well as at entity level. Sound Frameworks have been put in place on issues of Conflict of Interest, Insider Trading, dealing with sensitive information etc. Last 18 months have witnessed numerous challenges in the eco system as discussed elsewhere in this report. Our Governance standards have ensured continuity of service to customers besides taking care of safety and protection of all our stakeholders including employees, channel partners/business partners etc. Learning from these events that have unfolded in the environment, our focus on governance has become even sharper. We are continuously recalibrating some of practices on the process of decision making to facilitate smooth functioning while working from home through use of technology with good governance controls ensuring that compliance standards are met even in challenging circumstances.

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 sometime back at the Group level. 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 risk governance structure at Edelweiss Group includes Board Risk Committee, Global Risk Committee, Enterprise Risk Management (ERM) Council, Corporate Risk & Assurance, Investment Committees, Credit Committees & Business Risk Groups. While all the Group entities follow and implement the central philosophy of Risk Management, following the needs of our entity, the Business Risk Group within ECLF has been further strengthened.

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.

Recently, 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 almost all our critical staff could work from home seamlessly for business continuity and serving customer deliverables.

In the short term, we are focused towards fighting the battle against COVID-19 and work is happening on different fronts for ensuring that we adapt to the New Normal going forward as expeditiously as possible.



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

Key Risks

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

Credit Risk

The credit risk framework of ECLF ensures prior and periodic comprehensive assessment of every client, counterparty and collateral. Exposure limits are sanctioned to counterparties based on their credit worthiness. Credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits. Careful selection of quality and quantum of collateral is key for a client limit. Effective credit risk management has enabled us to steer through the current environmental stress conditions without any major impact.

Market Risk

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

Additionally, the asset liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. We also ensure diversification in source of borrowing to reduce dependence on a single source. We also pro-actively modify our liabilities profile in sync with the changing assets

profile to ensure that we do not carry any material asset liability mismatch.

Operational Risk

Operational risk framework of ECLF 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 and which is also followed by us. Trainings & campaigns ensure that Edelites are cognizant of this risk. More specifically, for ECLF, 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 though environmental stress in recent times without a major impact.

INTERNAL CONTROL POLICIES AND THEIR ADEQUACY

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

The internal controls of 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 assurance with regard to maintaining proper accounting controls, substantiation of financial statement 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 at ECLF follow Standards on Internal Audit along with guidelines issued by regulators and ensures 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 ECLF team supported 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 across the company.

HUMAN RESOURCES

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

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

Developments on HR front in FY20 are summarised below:

- We ended FY20 with a lower headcount of 1261, down from 1513 as of March 31, 2019 to control costs in the challenging business environment of FY20.
- As growth comes back gradually in the New Normal of post COVID-19 scenario, we will be in a position to meet the challenges of increasing scale and complexity of our business as well as future business growth.

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

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

People Practices during COVID-19 Pandemic

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

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

Edelweiss culture, which is best described by the way we function - a certain sense of unity in all the diversity. It shone brightly during this crisis with demonstration of high levels of adaptability, resilience, ownership and commitment to serve the need of customers.



TECHNOLOGY

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

- adopting the cloud for high availability, scalability and resiliency
- redesigning the network topology to enable secure access of both on-premises and cloud applications from anywhere
- embracing an Application Program Interface (API) first approach for secure exchange of data both within and outside Edelweiss
- modernizing the workplace by deploying an integrated collaboration suite

All these initiatives have actually turned out be a blessing in disguise in the Covid-19 Lockdown situation because almost 100% of our critical employees are enabled to work from home We at ECLF share the IT Infrastructure, practices and policies of Edelweiss Group.

Information Security

Emerging technologies and digitalization bring along new challenges and exposes organizations to new risks as data no longer resides within the traditional network boundaries. Cyber risk landscape is changing fast and attacks are becoming more frequent, severe and systemic. To safeguard ourselves in these changing times, Edelweiss Group has implemented multi-layered security solutions across all layers, viz., data, application, endpoint and network, with a special focus on cloud security which we at ECLF share.

CUSTOMER EXPERIENCE

At Edelweiss, customers are at the heart of everything we do and Customer Experience (CX) is not just restricted to service delivery but regarded as a key pillar of business success.

We have evolved our CX framework across Edelweiss from a problem-solving based approach to a more proactive stance, by aligning efforts across business units to a shared set of values. We call this the ASSURED framework which is now an integral part of our CX strategy across Edelweiss. Another key initiative this year has been the implementation of digitisation of feedback strategy for the Group. This has been done by mapping the customer journeys across businesses and identifying the key, impactful touchpoints for the customer. We have adopted the same strategy in our company too.

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 ECLF'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 financial performance, balance sheet, asset books of the Company and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off in the interest of easier understanding. Numbers have been re-casted, wherever required. Prior period figures have been regrouped/reclassified wherever necessary. FY19 and FY20 numbers are as per IndAS and rest all are as per IGAAP. All information in this discussion has been prepared solely by the company and has not been independently verified by anyone else



Annexure II

Remuneration Policy

Objective

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

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

The objective of this Policy is to ensure that:

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

Remuneration of the Independent Directors & Nonexecutive Directors

- The Independent Directors & Non-executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.

- The Independent Directors are not eligible for stock options.
- The Non-executive Directors (other than promoter Directors) shall be eligible for stock options.

Remuneration of the Managing Director & Executive Directors

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

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

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

Policy Review

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

ECL Finance Limited

Corporate Identity Number: U65990MH2005PLC154854



Annexure - III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

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

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

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

The CSR Policy of the Company is uploaded on the website https://eclfinance.edelweissfin.com/

 The Composition of the CSR Committee as on March 31, 2020:-

Name of Director	Category
Mr. P. N. Venkatachalam	Independent Director
Mr. Kunnasagaran	Independent Director
Chinniah	
Mr. Deepak Mittal	Managing Director & CEO

- 3. Average net profit of the Company for last three financial years: Rs. 8,327.79 million.
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 166.56 million.
- 5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year: Rs. 166 million.
 - (b) Amount unspent, if any: 0.56 million
 - (c) Manner in which the amount spent during the financial year is Annexed separately below
- In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide

the reasons for not spending the amount in its Board report.

The Company is in the process of identifying suitable projects and the unspent amount will be utilised in the next financial year.

A responsibility statement of the CSR Committee –
 The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors **ECL Finance Limited**

Sd/Rashesh Shah
P N Venkatachalam
Chairman & Independent
Managing Director
DIN: 00008322
DIN: 00499442

July 4, 2020 July 4, 2020 Mumbai Mumbai



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

1	2	3	4	5	6		7	8
Sr	CSR	Sector in	Projects or	Amount	Amount		Cumulative	Amount spent
		which the	-					: Direct or
No	project		programs	outlay	spent on the		expenditure	
	or 	project is		(budget)	projects or		up to the	through
	activity	covered		project or	programs		reporting	Implementing
	identifie			programs			period	agency*
	d			wise				
			(1) Local area		Sub – heads:			
			or other					
			(2) Specify the		(1) Direct	(2)		
			State and		expenditure	Overhead		
			district where		on projects or	s		
			projects or		programs			
			programs was					
			undertaken					
1	Agastya	Education	Raigadh,			-		implementing
	Internati		Maharshtra,	54,15,168	54,15,168		54,15,168	agency
	onal		Howrah, West					
	Foundati		Bengal					
	on							
2	Gyan	Education	Nandurbar ,			-		implementing
	Prakash		Parbhani ,Satar	2,89,85,320	2,89,85,320		2,89,85,320	agency
	Foundati		a , Solapur					
	on		Maharashtra					
3	Kaivalya	Education	Amravati &			-		implementing
	Educatio		Gadchiroli ,	2,69,29,681	2,69,29,681		2,69,29,681	agency
	n		Maharashtra					
	Foundati							
	on							
4	LeapFor	Education	Mumbai,			-		implementing
	Word		Maharashtra	51,44,076	51,44,076		51,44,076	agency
5	CULP -	Education	Tonk,			-		implementing
	Centre		Rajasthan	38,45,162	38,45,162		38,45,162	agency
	for							
	Unfoldin							
	g							
	Learning							
	Potentia							
	ls							
6	Raza	Education	Bangalore ,			-		implementing
			Karnataka	45,34,492	45,34,492		45,34,492	agency
7	Samarita	Education	Howrah, West			-		implementing
	n Help		Bengal	1,00,35,300	1,00,35,300		1,00,35,300	agency
	Mission							
8	Action	Livelihood	Balod,			-		implementing
	for Food		Chattisgarh	20,79,372	20,79,372		20,79,372	agency
	Producti							
		i .	l		l	i .	l	



1	2	3	4	5	6		7	8
Sr	CSR	Sector in	Projects or	Amount	Amount		Cumulative	Amount spent
No	project	which the	programs	outlay	spent on the		expenditure	: Direct or
	or	project is		(budget)	projects or		up to the	through
	activity	covered		project or	programs		reporting	Implementing
	identifie			programs			period	agency*
	d			wise				
	on							
	(AFPRO)							
9	Basic	Livelihood	Udaipur,			-		implementing
	HealthC		Rajasthan	38,72,340	38,72,340		38,72,340	agency
	are							
	Services							
	Gramin	Livelihood	Barmer,			-		implementing
	Vikas		Rajasthan	42,81,345	42,81,345		42,81,345	agency
10	Evam							
	Chetna							
	Sanstha							
	n (GVCS)							
11	Gramin	Livelihood	Bikaner ,Jodhp			-		implementing
	Vikas		ur, Rajasthan	1,25,38,000	1,25,38,000		1,25,38,000	agency
	Vigyam							
	Samiti							
	(GRAVIS							
)							
12	Manuvik	Livelihood	Uttar Kannada,	24,70,770	24,70,770	-	24,70,770	implementing
_	asa		Karanataka					agency
13	Pragati	Livelihood	Koraput,			-	65,79,465	implementing
			Odisha	65,79,465	65,79,465			agency
14	Anandi	Women	Morbi,			-	50,99,050	implementing
		Empower	Panchamahal,	50,99,050	50,99,050			agency
		ment	Dahod, Gujarat					
15	Breakthr	Women	Rohtak,			-		implementing
	ough	Empower	Jhajhar,	41,90,459	41,90,459		41,90,459	agency
		ment	Haryana					
16	EdelGive	Corpus	Mumbai,			-		implementing
	Foundati		Maharashtra	4,00,00,000	4,00,00,000		4,00,00,000	agency
	on							
	Corpus							
	fund							
	Total			16,60,00,000	16,60,00,000		16,60,00,000	
						-		



Annexure IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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. **ECL Finance Limited** Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ECL Finance Limited (CIN:U65990MH2005PLC154854) and having its registered office at Edelweiss House, C.S.T Road, Kalina, Mumbai-400098 (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 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- The Companies Act, 2013 (the Act) and the (i) rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules 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;
- The following Regulations and Guidelines (v) prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of (a) India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of (b) 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) Securities and Exchange Board of India (Share Based **Employee** Benefits) Regulations, 2014 (Not applicable to the company during the audit period);

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- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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, 2009 (Not applicable to the company during the audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (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.

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 the company has filed the financial statements [in E-Form AOC-4 NBFC (IndAS)] for the year ended 31st March, 2019 with Registrar of Companies subsequent to the last date for filing of the said E Form i.e., 31st March 2020 but before the date of our report; however in view of general moratorium announced by the Ministry of Corporate Affairs vide Circular No.12/2020 dated March 30, 2020, no penalty or additional fee is leviable.

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



- 1. received its first tranche investment of Rs. 1039.50 Crores (equivalent of US\$ 150,000,000) from CDPQ Private Equity Asia Pte. Ltd. ("CDPQ") in May 2019 pursuant to a Securities Subscription Agreement and Shareholders Agreement entered with CDPQ Private Equity Asia Pte. Ltd. ("CDPQ"), in terms of which CDPQ has agreed to invest INR equivalent of US\$ 250,000,000 in the Company in various tranches;
- 2. taken necessary steps for completing the merger of Edelweiss Retail Finance Limited (ERFL) with itself; pursuant to the same the company received the approval for merger from Reserve bank of India on September 27, 2019 while the sanction of National Company Law Tribunal, Mumbai Bench to the Scheme of Merger is awaited;
- 3. in order to enable it to acquire entire shareholding of Edelweiss Housing Finance Limited (EHFL) from its existing shareholders viz. Edelweiss Financial Services Limited (holding 30.35%), Edelweiss Rural & Corporate Services Limited (holding 55.23%) and Edel Finance Company Limited (holding 14.42%), EHFL has made an application to National Housing Bank (NHB), seeking its approval for the said change in shareholding structure; however due to transfer of regulatory powers over the Housing Finance Companies from the NHB to the Reserve bank of India (RBI) with effect from August 9, 2019 (pursuant to the provisions of the Finance Act 2019), the aforesaid application has been forwarded to RBI and the approval on the same is awaited:
- allotted 6,151 Secured Listed Redeemable Non-Convertible Debentures issued in various tranches by way of Private Placement aggregating to Rs.61.51 crores;
- allotted 27,19,146 Secured Listed Redeemable Non-Convertible Debentures pursuant to a public issue vide Tranche-I Prospectus dated

- May 6, 2019 (Shelf Prospectus dated May 6, 2019) aggregating to Rs.271.91 crores;
- 6. allotted 46,06,801 Secured Listed Redeemable Non-Convertible Debentures pursuant to a public issue vide Tranche-II Prospectus dated October 24, 2019 (Shelf Prospectus dated May 6, 2019) aggregating to Rs.460.68 crores
- redeemed 56,191 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.1374.54 crores which was issued by private placement;
- 8. redeemed 1,40,88,467 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.140.85 crores which was issued through prospectus;
- redeemed 5,020 Secured Listed Redeemable Non-Convertible Debentures aggregating to Rs.502 crores which was issued through prospectus;
- **10.** allotted 265 Secured Unlisted Redeemable Non-Convertible Debentures issued in various tranches by way of Private Placement aggregating to Rs.2.65 crores;
- **11.** redeemed 3,000 Unsecured Listed Redeemable Non-Convertible Debentures aggregating to Rs.30 crores which was issued by private placement;
- **12.** redeemed 3,000 Unsecured Unlisted Redeemable Non-Convertible Debentures aggregating to Rs.30 cores which was issued by private placement;
- 13. redeemed 530 Secured Unlisted Redeemable Non-Convertible Debentures aggregating to Rs.5.3 crores which was issued by private placement; and
- **14.** obtained the approval of members under Section 42 of the Act by Special Resolution



passed at the Extraordinary General Meeting held on February 18, 2020 for issue of Nonconvertible Debentures aggregating to Rs. 20,000 crores on private placement basis in one or more tranches.

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.

For Manish Ghia & Associates

Company Secretaries

For Manish Ghia & Associates

Company Secretaries

Sd/-Manish L Ghia Partner M. No. FCS 6252 C. P. No. 3531

Place: Mumbai Date: July 4, 2020

UDIN: F006252B000415166

Sd/-Manish L. Ghia Partner M. No. FCS 6252 C.P. No. 3531



'Annexure A'

To,
The Members,
ECL Finance Limited
Mumbai

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

- 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.
- 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.

- 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 severe restrictions imposed by the Government Authorities on opening of offices, travel and movement (hereinafter "Lockdown") due to Covid19 pandemic (which commenced during the last week of March'2020 and continued in June'2020), we for the purpose of completion of our audit had to rely on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For Manish Ghia & Associates

Company Secretaries

Sd/-

Manish L Ghia Partner

M. No. FCS 6252 C. P. No. 3531

Place: Mumbai Date: July 4, 2020

UDIN: F006252B000415166



Annexure V

Form AOC-2

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

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

(Currency: Indian rupees in millions)

Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

Sr N o	Name(s) of the related party and nature of relations hip	Nature of contracts/ arrangemen ts/ transactions	Duration of the contracts/ arrangemen ts/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any	Justificatio n for entering into such contracts or arrangeme nts or transaction s	Date of approv al by the Board	Amount paid as advanc es, if any	Date on which the special resoluti on was passed in general meeting as require d under first proviso to section 188
--------------	--	--	---	--	---	--	--	---

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II. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Rural and	Loans taken from	One Year	(amount in million)	January 23,	
Corporate Services Limited Edelweiss Retail	Loans taken from	One Year	1,190.00	2019 January 23,	
Finance Limited Edelweiss Housing	Loans taken from	One Year	2,500.00	2019 January 23,	
Finance Limited Edelweiss Rural and Corporate Services Limited	Loan repaid to	One Year	10,259.60	2019 January 23, 2019	
Edelweiss Retail Finance Limited	Loan repaid to	One Year	1,350.00	January 23, 2019	
Edelweiss Housing Finance Limited	Loan repaid to	One Year	2,000.00	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Loans given to	One Year	4,000.00	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Loans repaid by	One Year	4,000.00	January 23, 2019	
Deepak Mittal	Loans given including interest accrual to key management personnel & relatives	One Year	24.75	January 23, 2019	
Pooja Mittal	Loans given including interest accrual to key management personnel & relatives	One Year	7.61	January 23, 2019	
Deepak Mittal	Repayment of loans including interest by key management personnel & relatives	One Year	366.93	January 23, 2019	
Pooja Mittal	Repayment of loans including interest by key management personnel & relatives	One Year	276.57	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Issuance of Non Convertible Debentures	One Year	200.00	January 23, 2019	

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Asset Management Limited	Issuance of benchmark linked debentures	One Year	44.20	January 23, 2019	
ECap Equities Limited	Redemption - benchmark linked debentures	One Year	5,504.70	January 23, 2019	
ECap Equities Limited	Purchases of securities from	One Year	597.64	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Purchases of securities from	One Year	2,787.05	January 23, 2019	
Edelweiss Finance and Investments Limited	Purchases of securities from	One Year	1,646.89	January 23, 2019	
Edelweiss Broking Limited	Purchases of securities from	One Year	254.45	January 23, 2019	
Edelweiss Tokio Life Insurance Company Limited	Purchases of securities from	One Year	507.49	January 23, 2019	
Edelweiss Finvest Private Limited	Purchases of securities from	One Year	665.86	January 23, 2019	
Edelweiss General Insurance Company Limited	Purchases of securities from	One Year	157.75	January 23, 2019	
Edelweiss Retail Finance Limited	Purchases of securities from	One Year	2,323.50	January 23, 2019	
Edelweiss Securities Limited	Purchases of securities from	One Year	2.85	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited	Purchases of securities from	One Year	10.00	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Sale / subscription* of securities	One Year	1,727.30	January 23, 2019	
Edelweiss Finance and Investments Limited	Sale / subscription* of securities	One Year	724.39	January 23, 2019	
Edelweiss Securities Limited	Sale / subscription* of securities	One Year	247.30	January 23, 2019	
Edelweiss Broking Limited	Sale / subscription* of securities	One Year	2,052.95	January 23, 2019	



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Tokio Life Insurance Company Limited	Sale / subscription* of securities	One Year	275.65	January 23, 2019	
Edelweiss General Insurance Company Limited	Sale / subscription* of securities	One Year	60.06	January 23, 2019	
Edelweiss Finvest Private Limited	Sale / subscription* of securities	One Year	1,363.93	January 23, 2019	
Edelweiss Securities And Investments Private Limited	Sale / subscription* of securities	One Year	53.19	January 23, 2019	
Edelweiss Securities Limited	Margin placed with	One Year	1,639.22	January 23, 2019	
Edelweiss Custodial Services Limited	Margin placed with	One Year	97,977.41	January 23, 2019	
Edel Investments Limited	Margin placed with	One Year	8.65	January 23, 2019	
Edelweiss Securities Limited	Margin refund received from	One Year	1,701.29	January 23, 2019	
Edelweiss Custodial Services Limited	Margin refund received from	One Year	96,961.89	January 23, 2019	
Edel Investments Limited	Margin refund received from	One Year	8.65	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Security Deposits placed with	One Year	500.00	January 23, 2019	
ECap Equities Limited	Security Deposits placed with	One Year	100.00	January 23, 2019	
Edelweiss Securities Limited	Amount paid to broker for trading in cash segment	One Year	39,107.96	January 23, 2019	
Edelweiss Securities Limited	Amount received from broker for trading in cash segment	One Year	40,016.08	January 23, 2019	
Edelweiss Finvest Private Limited	Loan / NCD Purchase from	One Year	17,780.12	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Loan / NCD Purchase from	One Year	152.38	January 23, 2019	



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Retail Finance Limited	Loan / NCD Sale to	One Year	3,999.43	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited	Sale of securities receipts to	One Year	269.20	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 372	Sale of loans to	One Year	299.70	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 381	Sale of loans to	One Year	550.00	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 384	Sale of loans to	One Year	9,150.00	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 386	Sale of loans to	One Year	1,180.00	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 387	Sale of loans to	One Year	878.80	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 391	Sale of loans to	One Year	993.00	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 392	Sale of loans to	One Year	1,932.50	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 393	Sale of loans to	One Year	375.00	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited - SC 394	Sale of loans to	One Year	6,366.10	January 23, 2019	



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Securities Limited	Commission and brokerage received from	One Year	23.65	January 23, 2019	
Edelweiss General Insurance Company Limited	Commission and brokerage received from	One Year	0.43	January 23, 2019	
Edelweiss Alternative Asset Advisors Limited	Commission and brokerage received from	One Year	58.33	January 23, 2019	
Edelweiss General Insurance Company Limited	Cost reimbursement received from	One Year	0.16	January 23, 2019	
Edelweiss Retail Finance Limited	Cost reimbursement received from	One Year	0.41	January 23, 2019	
Edelweiss Global Wealth Management Limited	Cost reimbursement received from	One Year	0.09	January 23, 2019	
Edelweiss Broking Limited	Cost reimbursement received from	One Year	0.68	January 23, 2019	
Edelweiss Asset Management Limited	Cost reimbursement received from	One Year	0.78	January 23, 2019	
EC Commodity Limited	Cost reimbursement received from	One Year	0.01	January 23, 2019	
Edelweiss Custodial Services Limited	Cost reimbursement received from	One Year	0.02	January 23, 2019	
Edelweiss Finance and Investments Limited	Cost reimbursement received from	One Year	11.73	January 23, 2019	
Edelweiss Finvest Private Limited	Cost reimbursement received from	One Year	0.05	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Dividend received on investments	One Year	0.70	January 23, 2019	
Edelweiss Custodial Services Limited	Interest income on margin placed with brokers	One Year	127.28	January 23, 2019	
Edelweiss Securities Limited	Interest income on margin placed with brokers	One Year	4.57	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Interest income on Security Deposits	One Year	1.99	January 23, 2019	

Corporate Identity Number: U65990MH2005PLC154854
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Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
ECap Equities Limited	Interest income on Security Deposits	One Year	0.40	January 23, 2019	
Deepak Mittal	Interest income on loans given to	One Year	3.65	January 23, 2019	
Pooja Mittal	Interest income on loans given to	One Year	2.91	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Interest income on loans given to	One Year	262.13	January 23, 2019	
Edelweiss Housing Finance Limited	Interest received on securities	One Year	0.21	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited	Interest received on securities	One Year	66.09	January 23, 2019	
Edelweiss Finvest Private Limited	Interest received on securities	One Year	1.67	January 23, 2019	
Edelweiss Retail Finance Limited	Interest received on securities	One Year	1.02	January 23, 2019	
Edelweiss Alternative Asset Advisors Limited	Rent received from	One Year	3.95	January 23, 2019	
Edelweiss Broking Limited	Rent received from	One Year	5.03	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Rent received from	One Year	0.11	January 23, 2019	
Edelweiss Financial Services Limited	Rent received from	One Year	1.45	January 23, 2019	
Edelweiss General Insurance Company Limited	Rent received from	One Year	22.48	January 23, 2019	
Edelweiss Global Wealth Management Limited	Rent received from	One Year	1.09	January 23, 2019	
Edelweiss Housing Finance Limited	Rent received from	One Year	8.71	January 23, 2019	
Edelweiss Tokio Life Insurance Company Limited	Rent received from	One Year	0.83	January 23, 2019	
Edelweiss Comtrade Limited	Rent received from	One Year	0.60	January 23, 2019	



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Asset Management Limited	Rent received from	One Year	0.80	January 23, 2019	
Edel Land Limited	Rent received from	One Year	0.04	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited	Advisory fees paid to	One Year	576.85	January 23, 2019	
Edelweiss Housing Finance Limited	Advisory fees paid to	One Year	74.69	January 23, 2019	
Edelweiss Financial Services Limited	Corporate guarantee support fee paid to	One Year	0.06	January 23, 2019	
Edelweiss Custodial Services Limited	Clearing charges paid to	One Year	17.02	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Clearing charges paid to	One Year	18.76	January 23, 2019	
Edelweiss Global Wealth Management Limited	Commission and brokerage paid to	One Year	157.99	January 23, 2019	
Edelweiss Investment Advisors Limited	Commission and brokerage paid to	One Year	1.52	January 23, 2019	
Edelweiss Securities Limited	Commission and brokerage paid to	One Year	233.03	January 23, 2019	
Edelweiss Broking Limited	Commission and brokerage paid to	One Year	0.93	January 23, 2019	
Edelweiss Financial Services Limited	Commission and brokerage paid to	One Year	5.00	January 23, 2019	
ECap Equities Limited	Cost reimbursement paid to	One Year	6.10	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Cost reimbursement paid to	One Year	19.93	January 23, 2019	
Edelweiss Financial Services Limited	Cost reimbursement paid to	One Year	68.69	January 23, 2019	
Edelweiss Housing Finance Limited	Cost reimbursement paid to	One Year	1.99	January 23, 2019	
Edelweiss Alternative Asset Advisors Limited	Cost reimbursement paid to	One Year	32.56	January 23, 2019	
Edelweiss Securities Limited	Cost reimbursement paid to	One Year	3.30	January 23, 2019	



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Investment Advisors Limited	Cost reimbursement paid to	One Year	3.11	January 23, 2019	
Edel Land Limited	Cost reimbursement paid to	One Year	0.23	January 23, 2019	
EdelGive Foundation	Corporate Social responsibility expenses paid to	One Year	166.00	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Enterprise Service charge paid to	One Year	509.72	January 23, 2019	
Edelweiss Financial Services Limited	Enterprise Service charge paid to	One Year	193.76	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Interest paid on loan	One Year	22.78	January 23, 2019	
Edelweiss Retail Finance Limited	Interest paid on loan	One Year	56.93	January 23, 2019	
Edelweiss Housing Finance Limited	Interest paid on loan	One Year	14.25	January 23, 2019	
Edelweiss Alternative Asset Advisors Limited	Management Fees Paid to	One Year	107.87	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Management Fees Paid to	One Year	0.29	January 23, 2019	
Edelweiss Global Wealth Management Limited	Management Fees Paid to	One Year	12.88	January 23, 2019	
Edelweiss Financial Services Limited	Management Fees Paid to	One Year	2.50	January 23, 2019	
Edelweiss Financial Services Limited	Rating support fees paid to	One Year	1.66	January 23, 2019	
ECap Equities Limited	Rent paid to	One Year	19.23	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Rent paid to	One Year	88.13	January 23, 2019	
Edelweiss Retail Finance Limited	Rent paid to	One Year	62.23	January 23, 2019	
Edelweiss Securities Limited	Rent paid to	One Year	0.80	January 23, 2019	

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Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Custodial Services Limited	Rent paid to	One Year	0.03	January 23, 2019	
ECap Equities Limited	Interest paid on bench mark linked debentures	One Year	1,118.80	January 23, 2019	
ECap Equities Limited	Interest paid on securities	One Year	301.38	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Interest expenses on non-convertible debentures	One Year	202.60	January 23, 2019	
Edelweiss Finance and Investments Limited	Interest expenses on non-convertible debentures	One Year	0.14	January 23, 2019	
Edelweiss Retail Finance Limited	Interest expenses on non-convertible debentures	One Year	2.84	January 23, 2019	
ECap Equities Limited	Interest expenses on non-convertible debentures	One Year	12.94	January 23, 2019	
Edelweiss Securities Limited	Interest expenses on non-convertible debentures	One Year	0.11	January 23, 2019	
Edelweiss Financial Services Limited	ESOP cost reimbursement	One Year	48.81	January 23, 2019	
Himanshu Kaji	Remuneration paid to	One Year	25.00	January 23, 2019	
Rashesh Shah	Remuneration paid to	One Year	37.50	January 23, 2019	
Deepak Mittal	Remuneration paid to	One Year	36.80	January 23, 2019	
Phanindranath Kakarla	Remuneration paid to	One Year	21.16	January 23, 2019	
PN Venkatachalam	Sitting fees paid	One Year	0.48	January 23, 2019	
Biswamohan Mahapatra	Sitting fees paid	One Year	0.44	January 23, 2019	
Kunnasagaran Chinniah	Sitting fees paid	One Year	0.08	January 23, 2019	

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Securities Limited	Purchase of property, plant and equipment	One Year	0.55	January 23, 2019	
Edelweiss Finance and Investments Limited	Purchase of property, plant and equipment	One Year	0.04	January 23, 2019	
Edelweiss Retail Finance Limited	Purchase of property, plant and equipment	One Year	0.18	January 23, 2019	
Edelweiss Housing Finance Limited	Purchase of property, plant and equipment	One Year	0.73	January 23, 2019	
Edelweiss Asset Management Limited	Purchase of property, plant and equipment	One Year	0.01	January 23, 2019	
Edelweiss Broking Limited	Purchase of property, plant and equipment	One Year	0.46	January 23, 2019	
Edelweiss Custodial Services Limited	Purchase of property, plant and equipment	One Year	0.03	January 23, 2019	
Edelweiss Financial Services Limited	Purchase of property, plant and equipment	One Year	0.07	January 23, 2019	
Edelweiss Global Wealth Management Limited	Purchase of property, plant and equipment	One Year	0.01	January 23, 2019	
Edelweiss Investment Advisors Limited	Purchase of property, plant and equipment	One Year	0.04	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Purchase of property, plant and equipment	One Year	3.31	January 23, 2019	
Edelweiss Alternative Asset Advisors Limited	Purchase of property, plant and equipment	One Year	0.01	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited	Purchase of property, plant and equipment	One Year	0.04	January 23, 2019	

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Comtrade Limited	Purchase of property, plant and equipment	One Year	0.64	January 23, 2019	
Edelweiss Gallagher Insurance Brokers Limited	Purchase of property, plant and equipment	One Year	0.02	January 23, 2019	
Edelweiss Alternative Asset Advisors Limited	Sale of property, plant and equipment	One Year	0.03	January 23, 2019	
Edelweiss Asset Reconstruction Company Limited	Sale of property, plant and equipment	One Year	0.06	January 23, 2019	
Edelweiss Broking Limited	Sale of property, plant and equipment	One Year	0.27	January 23, 2019	
Edelweiss Custodial Services Limited	Sale of property, plant and equipment	One Year	0.05	January 23, 2019	
Edelweiss Financial Services Limited	Sale of property, plant and equipment	One Year	0.04	January 23, 2019	
Edelweiss Finvest Private Limited	Sale of property, plant and equipment	One Year	0.60	January 23, 2019	
Edelweiss General Insurance Company Limited	Sale of property, plant and equipment	One Year	0.05	January 23, 2019	
Edelweiss Housing Finance Limited	Sale of property, plant and equipment	One Year	0.25	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Sale of property, plant and equipment	One Year	0.62	January 23, 2019	
Edelweiss Securities Limited	Sale of property, plant and equipment	One Year	0.07	January 23, 2019	
Edelcap Securities Limited	Sale of property, plant and equipment	One Year	0.04	January 23, 2019	
Edel Investments Limited	Sale of property, plant and equipment	One Year	0.01	January 23, 2019	
Edelweiss Gallagher Insurance Brokers Limited	Sale of property, plant and equipment	One Year	0.03	January 23, 2019	
Edelweiss Global Wealth Management Limited	Sale of property, plant and equipment	One Year	0.02	January 23, 2019	



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangeme nts or transaction s including the value, if any (amount in million)	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any
Edelweiss Retail Finance Limited	Sale of property, plant and equipment	One Year	0.04	January 23, 2019	
Edelweiss Rural and Corporate Services Limited	Short term borrowings	One Year	5.91	January 23, 2019	
Edelweiss Retail Finance Limited	Short term borrowings	One Year	35.00	January 23, 2019	
Edelweiss Housing Finance Limited	Short term borrowings	One Year	10.00	January 23, 2019	
Edelweiss Financial Services Limited	Corporate guarantee taken from	One Year	3,600.00	January 23, 2019	

Note:

- 1. The period of one year have been considered in view of omnibus approval granted by the Audit Committee of the Board of Directors of the Company from time to time.
- 2. The above transactions are in accordance with the approval granted by Audit Committee of the Board of Directors of the Company from time to time and in ordinary course of business and arms length basis.
- 3. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 Related Party Disclosures, maximum amount of loans given and repaid are disclosed above.

For and on behalf of the Board of Directors

ECL Finance Limited

Sd/- Sd/-

Rashesh Shah Deepak Mittal

Chairman & Managing Director

Managing Director & CEO

DIN: 00008322 DIN: 00010337

July 4, 2020 July 4, 2020 Mumbai Mumbai

https://eclfinance.edelweissfin.com/



Annexure VI

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

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

Sr	Disclosure Requirement		Disclosure Details	
No				
1	Ratio of the remuneration	Directors	Title	Ratio
	of each director to the	Mr. Rashesh Shah	Chairman & Managing	95.68%
	median remuneration of		Director	
	the employees of the	Mr. Himanshu Kaji*	Executive Director	63.79%
	Company for the financial year	Mr. Deepak Mittal	Managing Director & CEO	93.79%
2	Percentage increase in	Directors/KMP's	Title	% increase
	remuneration of each			in
	director, Chief Financial			remuneration
	Officer, Chief Executive Officer, Company	Mr. Rashesh Shah	Chairman & Managing Director	-44.85%
	Secretary or Manager, if	Mr. Himanshu Kaji*	Executive Director	-50.00%
	any, in the financial year	Mr. Deepak Mittal	Managing Director & CEO	274.38%
		Mr. Jitendra	Company Secretary	-16.54%
		Maheshwari#		
		Mr. Sarju Simaria	Chief Financial Officer	79.84%
3	Percentage increase in the median remuneration of employees in the financial year	-1.73%		
4	Number of permanent employees on the rolls of Company at the end of the year	1261		
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	_	in the remuneration for emported is 42.40% and for mana	



Sr	Disclosure Requirement	Disclosure Details
No		
	percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional Circumstances for increase in the managerial remuneration	
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.

* resigned wef July 1, 2019 # resigned wef November 30, 2019

For and on behalf of the Board of Directors

ECL Finance Limited

Sd/- Sd/-

Rashesh Shah Deepak Mittal

Chairman & Managing Director

Managing Director & CEO

DIN: 00008322 DIN: 00010337

July 4, 2020 July 4, 2020 Mumbai Mumbai



12th Floor, The Ruby 29 Senapati Bapat Marg Dadar (West) Mumbai - 400 028, India

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INDEPENDENT AUDITOR'S REPORT

To the Members of ECL Finance Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of ECL Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 54Z to the Standalone Ind AS financial statements, which describes the economic and social disruption as a result of the COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Chartered Accountants

Key audit matters

How our audit addressed the key audit matter

(a) Impairment of financial assets at balance sheet date (expected credit losses) (as described in note 14 of the Standalone Ind AS financial statements)

Ind AS 109 requires the Company to provide for impairment of its financial assets as at the reporting date 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 financial assets (loan portfolio).

In the process, a significant degree of judgement has been applied by the management for:

- Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);
- Calculation of past default rates
- Assigning rating grades to customers for which external rating is not available
- Calibrating external ratings-linked probability of default to align with past default rates
- Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products
- Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;
- Estimation of management overlay for macroeconomic factors which could impact the credit quality of the loans.

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package ("RBI circular"), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.

In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the wear-end, the management overlay is based on various uncertain variables, which could result in addial credit loss being different than that being estimated.

- Read and assessed the Company's accounting policy for impairment of financial assets and its 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 moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.
- Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.
- We performed test of details of the inputs used in the ECL computation, on a sample basis.
- Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic).
- Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.
- Assessed disclosures included in the Standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

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Chartered Accountants

Key audit matters	Lic	nu our oudit addressed the leave endit mother
Ney addic maccers	П	ow our audit addressed the key audit matter
In view of such high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.		
(b) Information technology (IT) systems and control		
The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that	ge ele	e performed the following procedures for testing IT neral controls and for assessing the reliability of ectronic data processing, assisted by specialized IT ditors:
applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.	•	The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls;
Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key	•	Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting;
 audit matter.	•	Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.
	•	Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.
	•	Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Standalone Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.

procedures.

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

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

then we read the Annual report, if we conclude that there is a material misstatement therein, we are irred to communicate the matter to those charged with governance.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

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

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that
 are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for
 expressing our opinion on whether the Company has adequate internal financial controls 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our onclusions 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.

Chartered Accountants

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements - Refer Note 43 to the Standalone Ind AS financial statements;



S.R. BATLIBOL& CO. LLP

Chartered Accountants

- The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 55C to the Standalone Ind AS financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. R. Batliboi & Co. LLP

Chartered Accountants

I¢AI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAHU1941

Mumbai

July 04, 2020

S.R. BATLIBOI & CO. LLP

Chartered Accountants

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

Re: ECL Finance Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) The Company has granted loans to three parties covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
 - (b) The Company has granted loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
 - (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

	Name of the Statute	Nature of dues	Amount under dispute (Rs. in millions)*	Amount paid (Rs. in millions) *	Period to which its relates	Forum where dispute is pending
	Income Tax Act, 1961	Income Tax	259.90	121.30	AY 2013-14	Income Tax Appellate Tribunal
**************************************	Income Tax Act, 1961	Income Tax	80.60	40.00	AY 2014-15	The Commissioner of Income Tax (Appeals)

Chartered Accountants

Name of the Statute	Nature of dues	Amount under dispute (Rs. in millions)#	Amount paid (Rs. in millions) *	Period to which its relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	115.46	5.00	AY 2015-16	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	174.73	•	AY 2016-17	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5.61	1.12	AY 2017-18	The Commissioner of Income Tax (Appeals)

^{*} Paid under protest # includes interest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments for the purposes for which they were raised.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of equity shares and fully convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S. R. Batliboi & Co. LLP Chartered Accountants

ICAL Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAHU1941

Mumbai July 04, 2020



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of ECL Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised unsition, use, or disposition of the company's assets that could have a material effect on the

Chartered Accountants

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. R. Batliboi & Co. LLP Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAHU1941

Mumbai

July 04, 2020



Balance Sheet as at March 31, 2020

(Currency:Indian rupees in million)

(Currency:Indian rupees in million)	******	positivit it in alto inspirance approximation and alto	
		As at	As at
	Note	March 31, 2020	March 31, 2019
Assets			
Financial assets			
(a) Cash and cash equivalents	9	18,128.42	985.40
(b) Bank balances other than cash and cash equivalents	10	7,505.14	470.24
(c) Derivative financial instruments	11	789.37	383.30
(d) Securities held for trading	12	13,611.35	18,379.37
(e) Receivables			•
(i) Trade receivables	13	2,041.16	720.99
(f) Loans	14	1,28,184.40	2,37,966.74
(g) Other investments	15	49,747.70	10,750.80
(h) Other financial assets	16	3,181.39	1,964.72
		2,23,188.93	2,71,621.56
Non-financial assets			
(a) Current tax assets (net)	17	1,779.55	422.36
(b) Deferred tax assets (net)	18	4,752.95	1,486.22
(c) Investment property	19	1,162.00	1,400.22
(d) Property, plant and equipment	20	1,338.65	538.32
(e) Capital work in progress	20	1,330.03	13.52
(f) Intangible assets under development		10.60	54.00
(g) Other intangible assets	20	107.69	78.50
(h) Other non- financial assets	20	1,287.54	431.41
(ii) Other non- infancial assets	21 26900	10,438.98	3,024.33
	469-2007 Terresidades	10,430.70	3,024,33
Total assets	<u> </u>	2,33,627.91	2,74,645.89
Liabilities and equity			
Liabilities	9898// 3.554/		
Financial liabilities	647 (1994) 11 (1994)		
(a) Derivative financial instruments	11	955.35	476,83
(b) Trade payables	7.7		
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	22	1,503.41	3,413.31
(c) Debt securities	23	88,633.71	94,871.85
(d) Borrowings (other than debt securities)	24	93,177.45	1,13,287.45
(e) Subordinated liabilities	25	19,789.28	19,994,59
(f) Other financial liabilities	26	4,222.25	3,575.60
() 5 11 11 11 11 11 11 11 11 11 11 11 11 1	24534	2,08,281.45	2,35,619.63
N	7/65		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Non-financial liabilities			***
(a) Current tax liabilities (net)	27	192.61	289.96
(b) Provisions	28	24.61	29.29
(c) Other non-financial liabilities	29	345.63	212.49
		562.85	531.74
Equity	••		8 100 55
(a) Equity share capital	30	2,138.27	2,138.27
(b) Other equity	31	22,645.34	36,356.25
	5933 	24,783.61	38,494.52
Total liabilities and equity		2,33,627.91	2,74,645.89

1 to 55

The accompanying notes are an integral part of the financial statements As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

CAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

MUMBAJO S Lambai July Adolo , the

For and on behalf of the Board of Directors

Deepak Mittal Managing Director & CEO DIN: 00010337

Sarja Simaria Chief Financial officer

Mumbai July 4, 2020

Vidya Shah Executive Director DIN: 00274831

Archibold Serrao Company Secretary

Statement of Profit and Loss for year ended March 31, 2020

(Currency:Indian rupees in million)

(Carrone) and an impect in immenty	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	32	33,730.38	37,594.49
Dividend income	33	1,467.03	1,903.38
Fee and commission income	34	1,369.00	1,173.28
Net loss on fair value changes	35	(418.34)	(645.16)
Other income	36	28.46	148.59
Total Revenue		36,176.53	40,174.58
Expenses			
Finance costs	37	24,265.45	24,398.26
Net loss on derecognition of financial instruments	38	12,101.74	970.36
Impairment on financial instruments	39	11,252.98	1,498.41
Employee benefits expense	40	1,736.20	2,410.29
Depreciation, amortisation and impairment	20	200.60	106.53
Other expenses	41	4,294.79	2,961.28
Total expenses		53,851.76	32,345.13
(Loss)/Profit before tax		(17,675.23)	7,829.45
Tax expenses			
Current tax	42	(117.39)	2,398.62
Deferred tax (credit)		(3,413.25)	(228.00)
(Loss)/Profit for the year		(14,144.59)	5,658.83
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans (OCI)		(0.55)	(5.08)
Deferred tax (charge) / benefit - OCI		(0.36)	1.78
Total		(0.91)	(3.30)
(b) Items that will be reclassified to profit or loss	•		
Revaluation of buildings		611.28	
Deferred tax (charge) / benefit - OCI		PARKAT REPORTED TO SELECTION OF THE WARRANT AND THE	•
Defended (ax (charge)) benefit - OCI		(153.85)	-
Total		457.43	-
Other comprehensive income		456.52	(3.30)
Total comprehensive (loss) / income		(13,688.07)	5,655.53
Earnings per equity share	43		
(Face value of ₹ 1 each):	40		
Basic (INR)		(6.61)	2.73
Diluted (INR)		(6.61)	2.73 2.73
Dunion (HALL)			2.13

1 to 55

For S. R. Batliboi & Co. LLP

As per our report of even date attached.

Chartered Accountants

CAI Firms Registration Number: 301003E/E300005

The accompanying notes are an integral part of the financial statements

VC~ per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

Deepak Mittal Managing Director & CEO

DIN: 00010337

Sarju Simaria

Chief Financial officer

DIN: 00274831

Executive Director

Vidya Shah

Archibold Serrao Company Secretary

Mumbai July 4, 2020

Statement of Changes in Equity for the year ended March 31, 2020

(Currency:Indian rupees in million)

A. Equity share capital

	For the year ended March 31, 2020			For the year ended March 31, 2019			
	Outstanding as on April 1, 2019	Issued during the year	Outstanding as on March 31, 2020	Outstanding as on April 1, 2018	Issued during the year	Outstanding as on March 31, 2019	
Issued, subscribed and paid up* (Equity shares of Re.1 each, fully paid-up)	2,138.27	0*	2,138.27	1,948.11	190.16	2,138.27	

1000* fully paid-up equity shares of ₹ 1 each issued to CDPQ Private Equity Asia Pte Limited.

B. Other Equity

	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution – equity	Revaluation Reserve	Total attributable to equity holders
Balance as at 1st April 2018	7,983.01	13,327.50	3,892.54	1,720.61	140.02	_	27,063.68
Profit for the year	7,702.01	5,658.83	0,0>2.0	-,,=0.01	- 10.02	_	5,658.83
Other comprehensive income	-	(3.30)	•	-	-	-	(3.30)
Total comprehensive income	7,983.01	18,983.03	3,892.54	1,720.61	140.02	-	32,719.21
Securities premium on shares issued during the year	3,896.92	-	-	-	-	_	3,896.92
Income tax impact on ESOPs		(259.88)	-	-	-	_	(259.88)
Transferred to statutory reserve	-	(1,131.77)	1,131.77	-	-	-	-
Balance transferred to debenture redemption reserve	-	(2,117.26)	-	2,117.26	-	-	•
Balance as at March 31, 2019	11,879.93	15,474.12	5,024.31	3,837.87	140.02		36,356.25
(Loss) for the year	-	(14,144.59)		-	-	_	(14,144.59)
Other comprehensive income	-	(0.91)		-	-	457.43	456.52
Impact of Lease accounting	-	(22.87)	-	-	-	-	(22.87)
(refer note 41.C)							
Total comprehensive income	11,879.93	1,305.75	5,024.31	3,837.87	140.02	457.43	22,645.31
Securities premium on shares issued during the year	0.03	-	-	-	-		0.03
Balance as at March 31, 2020	11,879.96	1,305.75	5,024.31	3,837.87	140.02	457.43	22,645.34

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

Al Firms Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

Mumbai July 4, 2020

For and on behalf of the Board of Directors

Deepak Mittal Managing Director & CEO

DIN: 00010337

Sarju Simaria Chief Financial officer

Mumbai July 4, 2020

Vidya Shah Executive Director DIN: 00274831

Archibeld Serrao Company Secretary



Statement of Cash flows for the year ended March 31, 2020.

(Currency:Indian rupees in million)

(Currency, indian rupees in immon)	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Operating activities		
(Loss) / Profit before tax	(17,675.23)	7,829.45
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	200.60	106.53
Impairment of financial assets (net)	10,500.97	1,498.41
Fair value of financial instruments (net)	2,700.74	1,992.39
Expense on employee stock option scheme (ESOP)	46.66	45.69
Profit on sale of of property, plant and equipment	(2.15)	(1.29)
Interest on lease liabilities	28.85	-
Operating cash flow before working capital changes:	(4,199.56)	11,471.18
Adjustment for:	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	11,171.10
Decrease / (increase) in loans	1,02,190.18	(19,440.45)
(Increase) / decrease in trade receivables	(1,340.69)	4,753.53
Decrease in securities held for trading	3,032.05	
(Increase) in other investments		4,697.13
	(43,457.13)	(5,304.60)
(Increase) / decrease in other financial assets	(8,867.75)	427.95
(Increase) in other non financial assets	(856.13)	(216.54)
(Decrease) / Increase in trade payables	(1,956.56)	2,065.68
Increase in other financial liability	1,818.46	2,688.49
Increase /(decrease) in non financial liabilities and provisions	127.91	(84.58)
	46,490.78	1,057.79
Income taxes paid	(1,337.13)	(2,641.71)
Net cash generated /(used) in operating activities -A	45,153.65	(1,583.92)
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(124.78)	(143.43)
Purchase of investment property	(344.72)	
(Decrease) / Increase in capital work-in-progress and intangibles under development	56.92	(24.31)
Proceeds from sale of property, plant and equipment and intangible assets	6.13	4.64
Net cash used in investing activities -B	(406.45)	(163.10)
C. Cash flow from financing activities		
<u> </u>		4.00=.00
Proceeds from issuance of share capital (including securities premium)	0.03	4,087.08
(Decrease) / increase in debt securities (Refer note 1)	(6,961.62)	22,000.69
Decrease in borrowings other than debt securities (Refer note 1)	(20,080.91)	(24,983.32)
Decrease in subordinate debt (Refer note 1)	(471.31)	-
Repayment of lease obligations	(90,37)	-
Net cash (used) / generated from financing activities - C	(27,604.18)	1,104.45
Net increase / (decrease) in cash and cash equivalents (A+B+C)	17,143.02	(642.57)
Cash modal Bengal at the beginning of the year Cash at cash equivalent as at the end of the year \mathcal{L}	985.40 18,128.42	1,627.97 985.40

Statement of Cash flows for the year ended March 31, 2020.

(Currency:Indian rupees in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Operational cash flows from interest and dividends		
Interest paid	23,090,50	22,459.13
Interest received	34,306.47	37,904.45
Dividend received	1,467.03	1,903.38

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. 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
- 3. for disclosure relating to changes in liabilities arising from financing activities refer note 47

As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

CAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

Mumbai July 4, 2020

For and on behalf of the Board of Directors

Deepak Mittal

Managing Director & CEO

DIN: 00010337

Sarju Simaria Chief Financial officer

Mumbai July 4, 2020

Archibeld Serrao Company Secretary

Executive Director

DIN: 00274831

Vidya Shah

1. Corporate information:

ECL Finance Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Financial services Limited. The Company was incorporated on July 18, 2005 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company's primary business is advancing loans and financing. The Company focuses on credit business, a mix of diversified and scalable verticals like retail credit, corporate credit and distressed credit. It offers home finance, retail construction finance, loan against property, SME finance agri & rural finance and loan against securities under retail credit and structured collateralised credits to corporates, real estate finance to developers under corporate credit.

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, Investment property, 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.

3. 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 48-Maturity Analysis of assets and liabilities".

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

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

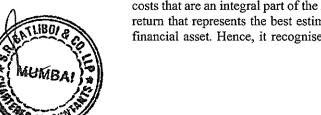
Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

4. Significant accounting policies

4.1 Recognition of revenue:

4.1.1 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 and debt instrument measured at FVTOCI 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 financial asset. 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.

4.1.2 Interest income:

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

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

4.1.3 Dividend income:

The Company recognised Dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

4.1.4 Revenue from contracts with customers:

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contracts and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises fee income including advisory and syndication fees at a point in time in accordance with the terms and contracts entered into between the Company and the counterparty.

4.2 Financial instruments:

4.2.1 Date of recognition:

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

4.2.2 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.

4.2.3 Day 1 profit and loss:

MUMBAI *

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs.

are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

4.2.4 Classification & 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:

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 ate. The changes in fair value of financial assets is recognised in Profit and loss account.

4.3 Financial assets and liabilities:

4.3.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

4.3.2 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit 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.



4.3.3 Investment in equity instruments:

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.3.4 Financial liabilities:

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

4.3.5 Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

4.3.6 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.

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

4.3.7 Financial assets and financial liabilities at fair value through profit or loss:

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly
 modify the cash flows that would otherwise be required by the contract, or it is clear with
 little or no analysis when a similar instrument is first considered that separation of the
 embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/premultibated



qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

4.3.8 Financial guarantee:

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

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

4.3.9 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.

4.3.10 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

4.4 Reclassification of financial assets and liabilities

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

4.5 Derecognition of financial Instruments:

4.5.1 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 cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

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

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

The Company has no obligation to pay amounts to the eventual recipients unless it has
collected equivalent amounts from the original asset, excluding short-term advances with the
right to full recovery of the amount lent plus accrued interest at market rates.



 The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

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

A transfer only qualifies for derecognition if either:

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

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

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

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.

4.5.2 Derecognition of financial liabilities

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

4.6 Impairment of financial assets:

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

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

Simplified approach

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

General approach

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

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

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

Company categories its financial assets as follows:

Stage 1 assets:

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

Stage 2 assets:

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

Stage 3 assets:

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

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

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

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

The Company's product offering includes a working capital facility 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.

4.7 Collateral valuation:

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

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

4.8 Collateral repossessed:

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

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

4.9 Write-offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

4.10 Forborne and modified loan:

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

4.11 Determination of fair value:

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

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

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



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

Level 1 financial instruments:

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

Level 2 financial instruments:

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

Level 3 financial instruments:

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

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

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

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

4.12 Leases:

Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset

Measurement and recognition:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero

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.

Under Ind AS 17: In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payment made under operating lease were recognised in profit and loss on a straight-line basis over the term of lease

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

Transition

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all long-term lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability and the right of use assets at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported as per accounting policies included as part of our financial statement for the year ended March 31, 2019.

Please refer note 41.C "Transition to Ind AS 116 on Lease" for more details on Impact analysis on financial results.

4.13 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.

4.14 Foreign currency transaction:

The Standalone Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at

the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4.15 Retirement and other employee benefit:

4.15.1 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.

4.15.2 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.

4.15.3 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.

4.15.4 Deferred bonus:

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time The measurement for the same has been based on actuarial assumptions and principles.

4.15.5 Share-based payment arrangements:

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.

4.16 Property, plant and equipment:

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are 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
Building (other than Factory Building)	60 years
Plant and Equipment	15 years
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

4.17 Intangible assets:

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life..

4.18 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 impairment is reversed subject to a maximum carrying value of

the asset before impairment.

4.19 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.

4.20 Income tax expenses:

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

4.20.1 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.

4.20.2 Deferred tax:

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

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

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

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

4.20.3 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.



4.21 Cash and cash equivalents:

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

5. Significant accounting judgements, estimates and assumptions:

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

5.1 Business model assessment:

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's of 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 is 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 quantum, 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 assets.

5.2 Significant increase in credit risk:

As explained in note 52.D.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. 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.

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.

5.3 Fair value of financial instruments:

The fair value of financial instruments 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 another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of

valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1, 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

5.5 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- 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 life-time expected credit loss 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, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

5.6 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 exists, 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.

5.7 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.

5.8 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.

5.9 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 which are not yet effective.

- 7. Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Company, Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited (Formerly known as Edelweiss Commodities Services Limited) and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US\$ 250 million, amounting to approximately Rs 18,000 million into the Company, the Investor has subscribed to 1000 Equity shares of Re. 1/- each at premium of Rs. 31/- per Equity Share and 103,949,680 Compulsorily Convertible Debentures (CCDs) at Rs. 100 per CCD and accordingly paid the Company a total sum of Rs. 10,395 millions on May 7, 2019, towards first tranche.
- 8. 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.



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

		March 31, 2020	March 31, 2019
9.	Cash and cash equivalents		
	Cash in hand		
	Cash in hand	0.04	0.04
	Balances with banks		
	In current accounts	9,127.39	985.36
	In fixed deposits with original maturity less than 3 months	9,000.00	-
	Accrued interest on fixed deposits	0.99	-
		18,128.42	985.40
		As at March 31, 2020	As at March 31, 2019
10.	Bank balances other than cash and cash equivalents		
	Fixed deposit with banks	19.65	2.52
	Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation (Refer Note 10.A Below)	981.79	467.72
	Earmarked balance with bank (Refer Note 2 Below)	6,503.70	-
		7,505.14	470.24

As at

Notes:

- 1) Fixed deposit balances with banks earns interest at fixed rate.
- 2) Earmarked for a specific purpose and therefore not available for immediate and general use.

10.A Encumbrances on fixed deposits held by the Company:

	As at March 31, 2020	As at March 31, 2019
Fixed deposits pledged for:		
Bank guarantee for non convertible debentures		
RBL Bank Limited	25.71	50.02
Axis Bank Limited	146.75	145.06
ICICI Bank Limited	0.55	0.52
Bank guarantee for cash credit lines		
ICICI Bank Limited	50.11	50.12
Security deposit for term loan and WCDL facilities		
Union Bank of India	5.37	5.05
Bank guarantee for securitisation		
DCB Bank Limited	35.25	32.46
ING Vysya Bank Limited	134.70	126.64
HDFC Bank Limited	324.68	-
ICICI Bank Limited	258.67	-
Yes Bank Limited	•	57.85
RATUBOL.	981.79	467.72





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

11. Derivative financial instruments

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts/Units held

				As at Marc	ch 31, 2020		***	
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives Interest rate swaps Interest rate futures Less: amounts offset (Refer Notel 1.A & 51)	Rupees	INR	4,250.00	85.65	Rupees G-Sec Units	INR	7,750.00 1,24,72,000	162.84 7.02 (7.02)
Subtotal(i)				85.65		·		162.84
(ii) Equity linked derivatives Stock futures Less: amounts offset (Refer Note 1 1.A & 51) Subtotal(ii)				-	No of Shares		1,95,200	17.99 (17.99)
(iii) Index linked derivatives Index futures Options purchased Options sold Less: amounts offset (Refer Notel 1.A & 51)	Index Units		6,44,475	623.31	Index Units		2,55,340.0 6,67,875	26.74 756.23 (26.74)
Subtotal(iii)				623.31				756.23
(iv) Embedded derivatives* In market linked debentures				80.41				36.28
Subtotal(iv)				80.41			<u> </u>	36.28
Total derivative financial instrun	nents		Total	789.37			Total	955.35

As at March 31, 2019								
Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability	
Rupees	INR	4,750.00	136.59	Rupees	INR	11,500.00	183.22	
G-Sec Units		44,54,000	0.42	G-Sec Units		25,00,000	1.86	
			(0.42)		:		(1.86	
			136.59				183.22	
				No of Shares		20,88,034	2.18 (2.18)	
			-				-	
Index Units		1,48,27,500	- 217.94 -	Index Units		87,300 4,22,94,375	16.72 - 14.36 (16.72)	
			217.94	:			14.36	
			28.77	· :			279.25	
			28.77				279.25	
	Rupees G-Sec Units	Rupees INR G-Sec Units	Rupees INR 4,750.00 G-Sec Units 44,54,000	Unit Currency Notional Fair value asset	Unit Currency Notional Fair value asset Unit	Unit Currency Notional Fair value asset Unit Currency	Unit Currency Notional Fair value asset Unit Currency Notional	

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Hedging activities and derivatives

AdlBoogn's exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risks the templany's risk management strategy and how it is applied to manage risk are explained in Note 52.

ted as hedging instruments

ot designated any derivatives as hedging instruments

^{*}An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative, refer Note 4.3.5 for further details.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

11.A Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these productions and whether offset is achieved in the balance sheet:

Financial Assets subject to offsetting, netting arrangements

Ay at March 31, 2020	Offsettin	g recognised in bal	ance sheet	Netting potenti	al not recognise	d in balance sheet	Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	l halance	After consideration of netting potential
Derivative Assets	85.65	-	85.65	(97.83)	54.82	42.64	703.72	789.37	746.36
Margin placed with broker*	794.53	(51.75)	742.78	-	-	742.78		742.78	742.78

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2020	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	214.59	(51.75)	162.84	(97.83)	(16.65)	48.36	792.51	955.35	840.87

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2019	Offsettin	g recognised in bal	ance sheet	Netting potenti	al not recognise	d in balance sheet	Assets not subject to netting arrangements	Total Assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	137.01	(0.42)	136.59	(88.47)	(6.00)	42.12	246.71	383.30	288.83
TriParty REPO (TREPS)	3,700.11	(3,700.11)	-	-	_	-	-	-	-
Margin placed with broker*	1,646.14	(20.34)	1,625.80		-	1,625.80	-	1,625.80	1,625.80

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

11.A Offsetting

Pigap val Liabilities subject to offsetting, netting arrangements

	(5) (31, 2019	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
17		Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
	Derivative Liabilities	203.98	(20.76)	183.22	(88.47)	(69.50)	25.25	293.61	476.83	318.86
	CBLO Borrowings	5,797.14	(3,700.11)	2,097.03		(41.05)	2,055.98	•	2,097.03	2,055.98

^{*}Note: As at the reporting date, cash margin received that has been offset against the gross derivative assets. Also, cash margin paid that has been offset against the gross derivative liabilities.



(Currency:Indian rupees in million)

	1210-031-031-031-03	As at March 31, 2	020		As at March 31, 2019)
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Securities held for trading:	1970006/0000000	2000 NACE (2000)	55505050000000000000000000000000000000			
At fair value through profit and loss account	12-4-22-55-2412		48.0039.05.50			
75 July Tune in ough projet and 1035 account						
Central Government Debt Securities						
6.65% Government Stock 09.04.2020 Bonds	100.00	12,50,000	129.02	-		-
7.00% Government Stock 21.01.2021 Bonds	100.00	75,00,000	772.36	-	-	_
6.17% Government Stock 12.06.2023 Bonds	100.00	5,00,000	51.92	100.00	10,00,000	98.9
7.35% Government Stock 22.06.2024 Bonds	100.00	20,00,000	216,22	100,00	5,00,000	51.8
8.40% Government Stock 28.07.2024 Bonds	100.00	20,00,000	222.24	100,00	3,00,000	21.0
7,72% Government Stock 25.07.2024 Bonds	100.00	65,00,000	711.11	100.00	40,00,000	421.5
	 Control of the property of the control of the control		Agency as a figure of the second and a second as a second at a figure			
7.59% Government Stock 11.01.2026 Bonds	100.00	5,00,000	53,87	100.00	10,00,000	103.2
7.27% Government Stock 08.04.2026 Bonds	100.00	45,00,000	487.03		******	-
6.79% Government Stock 15.05.2027 Bonds	100.00	1,05,00,000	1,094.26	100.00	10,00,000	98.0
7.26% Government Stock 14.01.2029 Bonds	100.00	3,50,00,000	3,724.80	100.00	60,00,000	605.6
7.28% Government Stock 03.06.2019 Bonds				100.00	1,00,000	10.2
6.90% Government Stock 13.07.2019 Bonds			•	100.00	1,60,000	16.3
6.35% Government Stock 02.01.2020 Bonds				100.00	60,00,000	609.
8.27% Government Stock 09.06.2020 Bonds				100.00	10,00,000	104.
8.12% Government Stock 10.12.2020 Bonds	1958-90 1588-925			100.00	50,00,000	525.
7.80% Government Stock 11.04.2021 Bonds	1 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		300 8 30 8 2 8 2 8 2 8 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	100.00	25,00,000	265.
7.94% Government Stock 24.05.2021 Bonds				100.00	30,00,000	316.
8.79% Government Stock 08.11.2021 Bonds				100,00	5,00,000	54.
8,20% Government Stock 15.02.2022 Bonds				100.00	40,00,000	419.
6.30% Government Stock 09.04.2023 Bonds				100.00	20,00,000	201.
7.37% Government Stock 07.04.2023 Bonds	000000000000000000000000000000000000000			100.00	5,00,000	52.
	0.00 Acres 0.00 Acres					
7.16% Government Stock 20.05.2023 Bonds		•	•	100.00	44,00,000	455
8.83% Government Stock 25.11.2023 Bonds	•		900000000000000000000000000000000000000	100.00	5,00,000	55.
7.32% Government Stock 28.01.2024 Bonds			50.48/10/10/15/14	100,001	1,15,00,000	1,182.
6.97% Government Stock 06.09.2026 Bonds	100 300 300			100.00	15,00,000	147.
7.17% Government Stock 08.01.2028 Bonds			300 300 00 00 00 00 00 00 00 00 00 00 00	100.00	2,00,00,000	1,992.
6.68% Government Stock 17.09.2031 Bonds				100,00	20,00,000	185.
State Government Debt Securities	15/10/85/55/65/6					
8.18% Tamilnadu State Development Loan Government Stock 19.12.2028 Bonds	100.00	800	0.09	-	-	-
8.34% Maharashtra Government Stock 03.02.2020 Bonds			550 75 74 55 42	100.00	5,00,000	51.
8.39% Rajasthan Government Stock Special 15.03.2020 Bonds	38 4 5 6 6 7 5 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6	• 6		100.00	2,00,00,000	2,034.
8.21% Rajasthan State Government Stock Uday 31.03.2020 Bonds				100.00	50,00,000	506
8.72% Andhra Pradesh State Development Loan Government Stock 11.01.2022 Bonds				100.00	25,00,000	266
8.72% Maharastra State Development Loan Government Stock 11.01.2022 Bonds				100.00	25,00,000	266
•	\$455050 .					530
8.65% Karnataka State Development Loans Government Stock 25.01.2022 Bonds	500.000.000.760		8.83.00.08.00	100.00	50,00,000	
8.58% Gujarat State Development Loan 23.01.2023 Bonds	•		•	100.00	25,00,000	266
8.66% Haryana State Development Loan Government Stock 06.02.2023 Bonds	•	•		100.00	25,00,000	266
8.62% Maharashtra State Development Loan Government Stock 20.02.2023 Bonds	-00000000000000000000000000000000000000	-		100.00	25,00,000	265
9.37% Gujarat State Development Loan 04.12.2023 Bonds	(S) 150 (S)		-	100.00	25,00,000	273
8.21% Haryana Government Stock Uday Special 31.03.2024 Bonds	S 6 30 50			100.00	98,18,000	1,012
8.31% Kerala State Development Loan Government Stock 13.02.2029 Bonds	5000 - 5000 - 500 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 - 5000 -			100.00	15,00,000	158
Total Government Debt Securities (A)	100 000 000		7,462.92			13,873
Debt Securities	14 14 05 74 15 15 15 15	Street Acting the Color				
8.75% Edelweiss Retail Finance Limited 22.03,2021 Bonds	1,000	16,399	13.93	_ [_ [
	1,000	1,315	2.82	-		
9.75% Edelweiss Housing Finance Limited 19.07.2021 Bonds				-	•	
8.42% Edelweiss Retail Finance Limited 22.03.2023 Bonds	1,000	3,221	2.63	-	-	
8.65% Edelweiss Retail Finance Limited 22.03.2023 Bonds	1,000	3,037	2.13	•	- 1	
9.00% Edelweiss Retail Finance Limited 22.03.2023 Bonds	1,000	1,942	1.41			
9,50% JM Financial Credit Solutions Limited 07.06.2023 Bonds	1,000	6,743	6.46	1,000	16,920	17
11.00% Edelweiss Finvest Private Limited 29.07.2025 Bonds	10,00,000	56	45,14	-	-	
10.00% Edelweiss Housing Finance Limited 19.07.2026 Bonds	1,000	23,250	21.62	-	•	
8.88% Edelweiss Retail Finance Limited 22.03.2028 Bonds	1,000	1,515	1.03		-	
9.25% Edelweiss Retail Finance Limited 22.03.2028 Bonds	1,000	2,951	2.62	-	-	
8.95% Aditya Birla Finance Limited 06.06.2029 Bonds	10,00,000	18	18.51	_	-	
10.50% Indusind Bank Limited Perpetual	10,00,000	45	44.19			
9.25% Muthoot Finance Limited 91.02.2021 Ned (Series 3A Option I)	10,00,000	43	77.19	10,00,000	14	14
9.50% Muthoot Finance Limited 01.02.2021 Ned (Series 3A Option Iii)		2 TO 10 TO 1			108	
• • •				10,00,000		108
8.85% Indiabults Commercial Credit Limited 28.03.2028 Bonds	100000000000000000000000000000000000000			1,00,000	1,135	112
9.75% JM Financial Credit Solutions Limited 07.06.2028 Bonds	70.00.07.500		34.040.04.04.058	1,000	37,970	36
9.38% Greater Hyderabad Municipal Corporation 14.08.2028 Bonds				10,00,000	9	9
A		eutele impoblishe	tyvitolaavisileidi			
			162.49			298





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

Equity Instruments Wabco India Ltd CPSE ETF IRB InvIT Fund

Total Equity Instruments (C)

Mutual Fund

JM Large Cap Fund-Dividend
SBI Overnight Fund-Direct Pl Growth
ICICI Overnight Fund-Direct Plan-Growth
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option
HDFC Overnight Fund - Growth Option - Direct Plan
JM Large Cap Fund - Annual Dividend Option
Edelweiss Fixed Maturity Plan - Series 49 - Direct - Growth
Edelweiss Short Term Fund - Direct - Growth

Total Mutual Fund (D)

Total (A+B+C+D)

	As at March 31, 2	020	As at March 31, 2019					
Face Value	Quantity	Amount	Face Value	Quantity	Amount			
5	2,000	12.28	- [-				
			10	2,65,88,545	724.27			
			102	5,000	0.33			
LANGEVER AGES	MARGARA CÉRTARA	12.28			724.60			
	10,89,97,766 6,92,711 2,09,17,322 10,00,000 40,112 - 40,00,000 12,33,997	1,271.84 2,253.88 2,253.82 10.02 119.10 - 43.91 21.09		10,00,000 3,06,132 16,26,89,805 40,00,000 30,66,864	10.00 864.02 2,513.85 42.60 52.62			
		5,973.66			3,483.09			
医多种性缺陷的	MARKAN SANSAR							
以他然外的强制	Strategic between	13,611.35	i		18,379.37			

Notes:

Please refer note 51 - Fair Value measurement for Valuation methodologies for securities held for trading







Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019
13. Trade receivables		
a) Trade receivables		
Receivables considered good - unsecured	2,056.95	722.93
Receivables - credit impaired	11.47	4.81
	2,068.42	727.74
Allowance for expected credit losses		
Receivables considered good - unsecured	(15.79)	(1.94)
Receivables - credit impaired	(11.47)	(4.81)
	2,041.16	720.99

b) Reconciliation of impairment allowance on trade receivables:

•	For the year ended March 31, 2020	For the year ended March 31, 2019
Impairment allowance as per simplified approach		
Impairment allowance - opening balance	6.75	6.42
Add/ (less): asset originated or acquired (net)	20.51	0.33
Impairment allowance - closing balance	27,26	6.75

Notes:

- 1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person
- 2) Please refere note 49 Related party disclosure for trade or other receivables due from firms or private companies in which directors is/are partner, a director or a member.

c) Trade receivables days past due

As at March 31, 2020	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates		1.3%	8.8%	29.8%	89.2%	100.0%	
Estimated total gross carrying amount at default* ECL - simplified approach	1,803.12	102.61 1.33	149.75 13.19	0.07 0.02	1.40 1.25	11.47 11.47	2,068.42 27.26
Net carrying amount	1,803.12	101.28	136.56	0.05	0.15		2,041.16

As at March 31, 2019	Current	1-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates		1.2%	5.7%	25.0%	100.0%	100.0%	
Estimated total gross carrying amount at default* ECL - simplified approach	660.37	48.50 0.18	5.52 -	7.94 1.73	0.60 0.03	4.81 4.81	727.74 6.75
Net carrying amount	660.37	48.32	5.52	6.21	0.57	_	720.99

^{*}Includes receivables from stock exchanges / Clearing house and companies in same group. The Company has no history and expects no default on these receivables, accordingly no allowance for ECL has been recognised on these receivables.



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

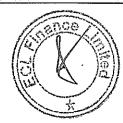
	As at March 31, 2020	As at March 31, 2019
14. Loans (at amortised cost)		
Term Loans;		
Corporate credit	86,843.64	1,49,405.54
Retail credit	49,473.56	94,679.89
Total gross	1,36,317.20	2,44,085.43
Less: Impairment loss allowance (Refer Note 14.B)	(8,132.80)	(6,118.69)
Total net	1,28,184.40	2,37,966.74
Secured by tangible assets (property including land & building)	41,315.84	1,47,496.71
Secured by inventories, fixed deposits, unlisted securities, project receivables & other marketable securities	75,259.91	71,263.24
Unsecured	19,741.45	25,325.48
Total gross	1,36,317.20	2,44,085.43
Less: Impairment loss allowance	(8,132.80)	(6,118.69)
(Refer Note 14.B)		
Total net	1,28,184.40	2,37,966.74
Loans in India		
Public sector	•	-
Others	1,36,317.20	2,44,085.43
Total gross	1,36,317.20	2,44,085.43
Less: Impairment loss allowance	(8,132.80)	(6,118.69)
(Refer Note 14.B)		
Total net	1,28,184.40	2,37,966.74

14.A Loans given to directors

Loans Given to Directors (refer note 49 related party disclosure)

As at	As at
March 31, 2020	March 31, 2019
-	342.19
	342.19





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

14.B Credit quality of assets

below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's realing for stage classification are explained in Note 52.D.1 and policies on ECL allowances are set out in Note 4.6

Credit mentity of assets

Typor mang High grade Standard grade

Non-performing Individually impaired

	As at March	31, 2020		As at March 31, 2019			
Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
84,955.30	46,233.43		84,955.30 46,233.43	2,12,533.38	25,864.50		2,12,533.38 25,864.50
		5,128.47	5,128.47			5,687.55	5,687.55
84,955.30	46,233.43	5,128.47	1,36,317.20	2,12,533.38	25,864.50	5,687.55	2,44,085.43

b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions i.e. new lending, further disbursements, repayments and interest accrual on loans.

Reconciliation / movement for the year ended March 31, 2020

		Non credi	t impaired		Credit impaired		Total	
	Sta	ge I	Stag	ge II	Stago	: III	101	AI .
Particulars	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	2,12,533.38	1,891.05	25,864.50	868.92	5,687.55	3,358.72	2,44,085.43	6,118.69
New Assets Purchased	14,063.46		3,607.85		108.80		17,780.11	-
Transfer of financial assets	(22 177 05)	(460.60)	32,177.85	460.60			-	-
Stage I to Stage II Stage I to Stage III	(32,177.85) (41,242.92)	(460.60) (592.50)	· ·	400.00	41,242.92	592.50	_	-
Stage II to Stage III	(41,242.92)	(392:30)	(20,679.77)	(558.51)	20,679.77	558.51	_	-
Stage II to Stage I	656.45	17.70	(656.45)	(17.70)	-	-	-	-
Stage III to Stage I	2.43	2.00	-	-	(2.43)	(2.00)		
Stage III to Stage II	-	-	11.26	2.87	(11.26)	(2.87)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(11.48)	-	3,950.08	-	504.89	-	4,443.49
New assets originated /repayments received (net)	(68,879.65)	703.85	5,908.19	1,182.14	(841.99)	-	(63,813.45)	1,885.99
Loans sold to ARC	-	-	-	-	(58,269.01)	(4,315.37)	(58,269.01)	(4,315.37)
Amounts written off (net)	-	-	-	-	(3,465.88)	-	(3,465.88)	-
Closing balance	84,955.30	1,550.02	46,233.43	5,888.40	5,128.47	694.38	1,36,317.20	8,132.80



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

1318145 redit quality of assets (contd.)

The Company had initiated sale of certain financial assets before March 31, 2020 and for which definitive contracts were executed post the balance sheet date. These financial assets sold subsequent to March 31, 2020, amountal or Rs.14,516.20 millions to alternative assets fund and asset reconstruction companies trusts. As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgital is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, management assessed that such loans sold by the Company subsequent to March 31, 2020 when a continuous contin

Reconciliation / movement for the year Ended March 31, 2019

	·	Non credi	t impaired		Credit is	mpaired	To	tal.
	Sta	ge I	Stag	Stage II		e III	10	1211
Particulars	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Opening balance	2,07,186.27	1,578.49	12,900.51	510.36	4,699.20	2,672.43	2,24,785.98	4,761.28
Transfer of financial assets:								•
Stage I to Stage II	(14,454.04)	(111.00)	14,454.04	111.00	-	-	-	-
Stage I to Stage III	(5,426.52)	(73.70)	-	-	5,426.52	73.70	-	-
Stage II to Stage III	-	-	(2,474.60)	(105.81)	2,474.60	105.81	-	-
Stage II to Stage I	958.66	8.98	(958.66)	(8.98)	-	-	-	-
Stage III to Stage II	-	-	1,743.72	1,050.00	(1,743.72)	(1,050.00)	.	-
Remeasurement of ECL arising from transfer of stage (net)	-	(3.45)	-	(718.26)	-	1,345.91	-	624,20
New assets originated /repayments received (net)	24,269.01	491.73	199.49	30.61	65.81	555.69	24,534.31	1,078.03
Loans sold to ARC	-	-	-	•	(4,992,44)	(117.82)	(4,992.44)	(117.82)
Amounts written off (net)	-	-	-	-	(242.42)	(227.00)	(242.42)	(227.00)
Closing balance	2,12,533.38	1,891.05	25,864.50	868.92	5,687.55	3,358.72	2,44,085.43	6,118.69



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

15. Other investments

As at March 31, 2020			At fa	ir value		At cost	
	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)	(subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
Preference shares	774.52		-	-	-	-	774.52
Security receipts (refer note 3)	-	-	44,124.98	-	44,124.98	_	44,124.98
Units of AIF	-	-	4,894.42	-	4,894.42	-	4,894.42
TOTAL - gross (A)	774.52	-	49,019.40	-	49,019.40	-	49,793.92
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	774.52		49,019.40		49,019.40	-	49,793.92
Total (B)	774.52	-	49,019.40	-	49,019.40 -		49,793.92
Less: allowance for impairment (C)	46.22	-	-	-	-	_	46.22
Total net (A-C)	728.30	-	49,019.40	-	49,019.40	_	49,747.70

As at March 31, 2019			At fa	iir value		At cost	
	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)	(subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
Preference shares	711.13	-		-	•	-	711.13
Security receipts (refer note 3)	-	-	9,899.83	-	9,899.83	-	9,899.83
Units of AIF	-	-	139.84	-	139.84	-	139.84
TOTAL - gross (A)	711.13	-	10,039.67	-	10,039.67	-	10,750.80
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	711.13		10,039.67		10,039.67	-	10,750.80
Total (B)	711.13	-	10,039.67	-	10,039.67	-	10,750.80
Less: allowance for impairment (C)	-	-	-		-	-	-
Total Net (A-C)	711.13	-	10,039.67	-	10,039.67	-	10,750.80

Notes:

- 1) Please refer note 15.B Investment details for further details
- 2) Please refer note 51 Fair value measurement for valuation methodology
- 3) During the year ended March 31, 2020 and March 31, 2019, the Company has sold financial assets aggregating to Rs. 46,269.00 millions (net of provisions & losses) and Rs. 5,828.60 millions (net of provisions & losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and has acquired security receipts (SR) from ARC Trusts amounting to Rs. 42,901.70 millions. The Board approved committee approved such sale of financial assets to ARC Trusts. Ind AS 109 Financial Instruments, prescribed under section 133 of the Companies Act, 2013, requires substantial risks and rewards to be transferred for the purpose of derecognition of such financial assets from the Company's financial statements. Edelweiss Financial Services Limited (EFSL), holding company, and Edelweiss Rural and Corporate Services Limited (ERCSL), a fellow subsidiary, on March 31, 2020, have guaranteed significant risks and assumed significant rewards in respect of an aggregate value of financial assets of Rs 32,539.30 millions sold to ARC Trusts. As a result, these financial assets are de-recognized in Company's financial statements. Further, as the risks and rewards continues in ERCSL and EFSL, these continue to be accounted as financial assets in the consolidated financial statements of ERCSL or the Group and the respective consequent expected credit loss will be recorded in the consolidated financial statements of ERCSL or EFSL.

15.A Investments in preference shares measured at amortised cost:

i) Credit quality of assets:

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 52.D.1 and policies on ECL allowances are set out in Note 4.6

			As at March 31, 2020				As at March	31, 2019	
		Stage 1	Stage 2	Stage-3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	1/200			R. BAT	180				
High grade		728.30	- //	* / No.	30	711.13	-	-	711.13
		728.30	- ((A VAL	7/28 0	711.13	-	- '	711.13
				ACCOUNT	91 }5 ****				

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

15. Other investments

ii) Reconciliation of changes in gross carrying amount for investments in preference shares and the corresponding ECL:

Reconciliation / movement for the year ended March 31, 2020

		Non credit	impaired		Credit impaired Stage 3		Total	
	Stag	ge 1	Sta	ge 2				
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Gross carrying amount - opening balance Unwinding of discount (recognised in interest income)	711.13 63.39	-	<u>-</u> -	<u>-</u> -	-	- -	711.13 63.39	-
Change in ECL provision	_	46.22					-	46.22
Closing balance	774.52	46.22	-	_	-	_	774.52	46.22

Reconciliation / movement for the year ended March 31, 2019

		Non credit	impaired		Credit in	paired	To	ial
	Stag	ge 1	Stage 2		Stage 3		ı Otal	
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Gross carrying amount - opening balance Unwinding of discount (recognised in interest income)	653.09 58.04	1	-	-	-		653.09 58.04	
Closing balance	711.13	-	-	-	-	-	711.13	-





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

	As	at March 31, 20	020	As at March 31, 2019			
	Face Value	Quantity	Amount	Face Value	Quantity	Amou	
Other investments							
Preference shares (fully paid up)							
At amortised cost							
Edelweiss Rural & Corporate Services Limited	10	10,00,000	728.30	10.00	10,00,000	711	
(7% Non cumulative non convertible redeemable)	1997		4.00 (24.64.68)		, ,		
, ,	551 550 550 550 54		7 SE				
Total (A)	250000000000000000000000000000000000000		728.30			71	
Security receipts	11-70-028-1-18/04/8-108		in attended to higher design.				
At fair value through profit and loss							
EARC Trust SC 006	1,000	2,18,500	21.02	-	-		
EARC Trust SC 007	1,000	1,04,500	100.98	1,000	1,04,500	6	
EARC Trust SC 009	1,000	71,487	54.96	1,000	71,488	-	
EARC Trust SC 043	1,000	54,000	21.17	1,000	54,000	2	
EARC Trust SC 055	1,000	46,800	19.06	1,000	46,800	2:	
EARC Trust SC 102	1,000	7,68,570	240.67	1,000	7,68,570	35	
EARC Trust SC 109	1,000	6,33,500	585.84	1,000	6,33,500	61	
EARC Trust SC 112	1,000	3,40,000	285.70	1,000	3,40,000	28	
EARC Trust SC 223	1,000	23,37,500	271.43	1,000	23,37,500	97	
EARC Trust SC 229	1,000	2,55,000	128.06	1,000	2,55,000	19	
EARC Trust SC 245	-	• (a)	•	1,000	2,76,760	19	
EARC Trust SC 251	1,000	17,00,000	1,662.89	1,000	17,00,000	1,70	
EARC Trust SC 263	1,000	13,60,000	561.25	1,000	13,60,000	4 I	
EARC Trust SC 297	1,000	24,887	0.44	1,000	33,182	2	
EARC Trust SC 298	1,000	32,72,500	3,108.88	1,000	32,72,500	3,27	
EARC Trust SC 308	1,000	2,40,550	130.92	1,000	2,40,550	17.	
EARC Trust SC 313	- 1	-	_	1,000	23,427	2	
EARC Trust SC 314	1,000	71,400	107.47	1,000	71,400	10	
EARC Trust SC 326]	-	-	1,000	711		
EARC Trust SC 329	1,000	2,88,000	360.45	1,000	2,88,000	28	
EARC Trust SC 331	1,000	3,96,720	493.21	1,000	3,96,720	40	
EARC Trust SC 342 (Class B)	1,000	83,810	88.53	1,000	83,810	9	
EARC Trust SC 345	1,000	63,610	88.55	i i		2	
EARC Trust SC 348 (Class B)	1,000	2-16-750	251.12	1,000	8,865		
` ,	LANCOPCIA O SOCIA DESENDA DE SONTIA.	2,16,750	597659505658eviveb860v0996.kc	' I	2,16,750	38	
EARC Trust SC 361	1,000	2,40,000	252.89	1,000	2,40,000	24	
Edelweiss ARF-I Trust Scheme-I	1,000	56,728	8.22	1,000	56,728	I	
EARC Trust SC 372	1,000	2,54,745	249.79	-	-		
EARC Trust SC 381	1,000	4,67,500	467.50	-	-		
EARC Trust SC 384	1,000	77,77,500	6,085.03	-	-		
EARC Trust SC 386	1,000	10,03,000	939.25	-	-		
EARC Trust SC 387	1,000	7,46,980	722.69	-	-		
EARC Trust SC 391	1,000	8,44,050	783.25	-	_		
EARC Trust SC 392	1,000	16,42,625	1,537.63	-	- [
EARC Trust SC 393	1,000	3,18,750	318.75	_	-		
EARC Trust SC 394	1,000	54,11,185	4,586.88	_	_ [
CFM ARC-Trust 01	1,000	19,96,565	1,996.57	_	_ [
RARE ARC Trust - 049	1,000	18,10,500	1,539.00	_	_		
RARE ARC Trust - 047	1,000	26,35,000	1,730.03	_	_		
ACRE ARC Trust - 100	1,000		300 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 - 0 -	-	-		
ACKLANC Trust - 100	1,000	1,45,09,500	14,413.45	-	-		
Total (B)			44,124.98			9,89	
Units of AIF			77,147.70			7,07	
At fair value through profit and loss							
Bool Estato Cualit Onnestruiti Fruid - Ct B. I. 's	10,000,00		1,55		1		
Real Estate Credit Opportunities Fund - Class B Units	10,000.00	4,77,652	4,776.52	-	-		
Edelweiss Stressed and Troubled Assets Revival Fund	10,000.00	25,000	117.47	10,000.00	25,000.00	13	
Edelweiss Short Term Income Fund- Institutional Growth	10.00	40,799	0.43	10.00	40,799.00	•	
Total (C)			4,894.42			13	
			5 (2) (2)				
Total(A+B+C)	 ■ *** ********************************		49,747.70			10,75	

te 51 - Fair value measurement for valuation methodologies for investments

Notes to the financial statement for the year ended March 31, 2020 $\,$

(Cui	rency:Indian rupees in million)	the state of the s	
		As at March 31, 2020	As at March 31, 2019
16.	Other financial assets		
	Security deposits	629.79	56.99
	Deposits placed with/exchange/depositories	91.05	91.05
	Accrued interest on margin	0.07	0.21
	Accrued interest on security deposits	2.39	-
	Margin placed for trading in securities	742.78	1,625.80
	(refer note 11.A) Interest accrued on investments		5,54
	Advances recoverable in cash or in kind or for value to be received	3.31	185.13
	Receivables from trust	1,712.00	-
		3,181.39	1,964.72
17	Current tax assets (net)		
1/.	Advance income taxes	1,779.55	422,36
	(net of provision for tax ₹ 5,452.54, previous year ₹ 5,673.86 million)		
		1,779.55	422.36
18.	Deferred tax assets (net)		
	Deferred tax assets		
	Loans		
	Expected credit loss	2,245.96	1,847.19
	Unamortised processing fees - EIR on lending	82.20	152.25
	Employee benefit obligations		
	Provision for leave accumulation	4.99	-
	Disallowances under section 43B of the Income tax act, 1961	1.42	8.70
	Unused tax losses		
	Unused tax losses - accumulated losses	1,869.34	-
	Investments and other financial instruments		
	Unrealised loss on Derivatives	138.41	-
	Fair valuation of investments; SIT - loss in valuation	894.06	-
	Others	_	9.42
			,,, <u>-</u>
		5,236.38	2,017.56
	Deferred tax liabilities		
	Property, plant and equipment and intangibles		
	Difference between book and tax depreciation	172.20	26.98
	Investments and other financial instruments		
	Fair valuation - Derivative financial instruments	-	5.41
	Fair valuation - Investments and securities held for trading	-	268.99
	Borrowings		
	Effective interest rate on financial liabilities	286.27	229.96
	<u>Others</u>	24.96	_
	<u>Others</u>		
		483.43	531.34
		4,752.95	1,486.22
19.	Investment property	13.200.0	2,100000
-	Investment in RE land		
	Opening balance as at April 1		-
	Add: Property acquired during the year	1,112.75	-
	Add: Capitalised subsequent expenditure Less: Change in fair value	67.52 (18.27)	- -
_	2000. Change III Iuli Value	(10.27)	- //.
//3	Moestate property balance as at March 31st 2020.	1,162.00	<u>-1/4</u>
12/1			11-31

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

20. Property, plant and equipment and intangible assets

			Property	, plant and eq	uipment			Other Intangible Assets		Right to Use Assets*		
Particulars	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Computer Software	Total	Right to Use Assets	Total	Total
₹ S.R.											_	
As a Abril 1, 2018 Additions Disposals	476.87	4.15	30.92	21.33	16.24	35.76	585.27	50.12	50.12	-	-	635.39
Addin Sis	-	10.26	5.07	0.71	8.32	49.34	73.70	69.73	69.73	•	-	143.43
Disposals/	-	-	-	(3.14)	-	(3.44)	(6.58)	-	•	-	-	(6.58)
75 x 850 narch 31, 2019	476.87	14.41	35.99	18.90	24.56	81.66	652.39	119,85	119.85			772.24
Additions	•	19.98	2.92	3.86	7.80	7.89	42,45	82.31	82.31	298.06	298.06	422.82
Revaluation gain on building	549.29	-	-	~	-	-	549.29	-	-			549,29
Disposals	-	-	(0.01)	(8.42)	(0.26)	(10.35)	(19.04)	-	-	-		(19.04)
as at March 31, 2020	1,026.16	34.39	38.90	14.34	32.10	79.20	1,225.09	202.16	202.16	298.06	298.06	1,427.25
Depreciatin and Impairment:												
As at April 1, 2018	17.92	1.12	2.99	5.68	3.14	13.07	43.92	8.20	8.20	-	-	52.12
Deperciation/Amortisation for the year	22.95	2.09	7.74	5.13	7.74	27.73	73.38	33.15	33.15	•	-	106.53
Disposals	•	-	*	(1.56)	•	(1.67)	(3.23)	-	-	-	•	(3.23)
as at March 31, 2019	40.87	3.21	10.73	9.25	10.88	39.13	114.07	41.35	41.35			155.42
Deperciation/Amortisation for the year	21.80	9.10	7.56	3.07	9.80	23.62	74.95	53,12	53.12	72.53	72.53	200.60
Disposals	-	-	(0.01)	(5.99)	(0.25)	(8.81)	(15.06)	-	-	-	-	(15.06)
Adjustment of revaluation gain to accumulated depreciation	(61.99)) -	-	-	-	•	(61.99)	-	-	-	-	(61.99)
as at March 31, 2020	0.68	12.31	18.28	6.33	20.43	53.94	111.97	94,47	94,47	72.53	72.53	278.97
Net Book Value												
As at March 31, 2019	436.00		25.26	9.65	13.68	42.53	538.32	78.50	78.50	-	-	616.82
As at March 31, 2020	1,025.48	22.08	20.62	8.01	11.67	25.26	1,113.12	107.69	107.69	225.53	225.53	1,446.34
Note:												

Note:

*Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs 237.51 millions and a lease liability of Rs 268,07 millions. The cumulative effect of applying the standard resulted in Rs. 22.87 millions being debited to retained earnings, net of taxes. (please refer note 41.C for more details)

The Company has decided to change to revaluation model from cost model for accounting of a class of fixed assets (i.e. Flats and building) as at March 31, 2020. Accordingly, the management has approved revaluation of owned land and building classified under property, plant and equipment. Management has adopted valuations made by duly appointed independent valuer. Accordingly, the Company has recognised the revaluation gain of Rs 457.43 millions (net of tax) in other comprehensive income for the year ended March 31, 2020.

^{\$} Charge against secured redeemable non-convertible debentures (Refer note 23.B)

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

currency:Indian rupees in million)	As at	As at
	March 31, 2020	March 31, 2019
21. Other non-financial assets		,
(Unsecured considered good, unless stated otherwise)		
Input tax credit	529,42	353.52
Prepaid expenses	260.22	31.06
Vendor advances	239.49	25.61
Advances recoverable in cash or in kind or for value to be received	238.39	0.75
Advances to employees	20.02	3.36
Others	_	17.11
	1,287.54	431.41
22. Trade Payables		
Payable to :		
Trade payables to non-related parties	1,078.33	2,560.85
(includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)		
Trade payables to related parties (refer note 49 related party disclosure)	425.08	852.46
	1,503.41	3,413.31

22.A Details of dues to micro and small enterprises

Trade Payables includes Rs. Nil (March 31, 2019: Rs.Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

	As at March 31, 2020	As at March 31, 2019
23. Debt securities		
at amortised cost		
(Refer Note 23.A and 23.B)		
Redeemable non-convertible debentures - secured		
Privately placed	41,988.66	45,351.78
Public issue	32,309.48	29,552.37
Market linked debentures	1,914.86	8,237.72
INR Bonds		
INR denominated USD settled notes (masala bonds)	-	5,197.22
Compulsory Convertible Debentures - unsecured		
9% Compulsory Convertible debentures	11,042.44	-
Redeemable non-convertible debentures - unsecured		
Privately placed	141.94	906.16
Commercial papers - unsecured	1,250.00	5,650.00
Less: Unamortised discount	(13.67)	(23.40)
	1,236.33	5,626.60
Total	88,633.71	94,871.85
Debt securities in India	88,633.71	89,674.63
Debt-securities outside India	/\{\\\\ ²⁰ \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	5,197.22
30,000 8 50		
Total	88,633.71	94,871.85
(E) (MBAI)		

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2020

Redeemable non-convertible debentures - secured

7.7			Rate of	Interest			C14-4-1
Month	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	Grand total
Apr 2020	-	186.00	-	=	-	85.00	271.00
May 2020	-	37.00	215.00	-	-	24.00	276.00
Jun 2020	-	314.30	600.00	_	-	80.00	994.30
Jul 2020	-	28.00	-	-	-	45.70	73.70
Aug 2020	-	-	-	-	-	84.50	84.50
Oct 2020	-	-	-	1,333.33	-	54.00	1,387.33
Nov 2020	-	-	-	-	-	10.00	10.00
Dec 2020	14,990.00	500.00	1,220.00	-	-	20.20	16,730.20
Jan 2021	-	-	-	-	-	20.00	20.00
Mar 2021	-	1,000.00	-	-	-	-	1,000.00
Apr 2021	-	-	•	-	-	15.00	15.00
May 2021	327.00	-	-	-	-	50.00	377.00
Jun 2021	-	-	600.00	-	-	-	600.00
Aug 2021	-	-	9,631.26	-	-	-	9,631.26
Sep 2021	-	5,000.00	-	-	-	-	5,000.00
Nov 2021	144.53	-	740.07	-	-	-	884.60
Jan 2022	-	-	-	-	-	20.00	20.00
Mar 2022	-	-	-	-	-	245.90	245.90
Apr 2022	-	-	-	2,357.26	=	-	2,357.26
Aug 2022	186.02	-	-	648.01	-	-	834.03
Oct 2022	-	-	750.00	-	-	369.20	1,119.20
Feb 2023	156.66	-	-	389.48	-	-	546.14
Jul 2023	-	-	-	-	-	22.50	22.50
Aug 2023	-	-	3,882.41	-	-	4.00	3,886.41
Oct 2023	-	-	750.00	-	-	-	750.00
Jan 2024	-	290.00	1,213.52	2,349.02	_	-	3,852.54
May 2024	144.97	-	615.29	296.88	-	-	1,057.14
Oct 2024	-	-	750.00	-	-	_	750.00
Nov 2024	896.52	-	860.54	473.58	-	-	2,230.64
Dec 2024	-	-	-	200.00	-	-	200.00
Feb 2025	-	-	-	50.00	-	_	50.00
Mar 2025	-	-	-	100.00	_	-	100.00
Apr 2025	-	-	100.00	-	-	-	100.00
Aug 2025	-	-	-	-	-	30.00	30.00
Sep 2025	_	_	_	-	-	70.00	70.00
Oct 2025	-	-	1,075.00	-	-	-	1,075.00
Nov 2025	-	-	-	360.00	-	-	360.00
Dec 2025	_	-	250.00	-	-	10.00	260.00
Jan 2026	-	-	-	-	_	8.00	8.00
Mar 2026	-	-	250.00	-	-	400.00	650.00
May 2026	_	-	200.00	_	-	_	200.00
Jun 2026	_	_	225.00	_	_	_	225.00
Aug 2026	-	-		-	_	16.30	16.30
Mar 2027	_	5,000.00	_	_	_	-	5,000.00
Sep 2027	_	1,250.00	_	_	_	_	1,250.00
Aug 2028	_	-,	4,054.22	_	_ }	_	4,054.22
Jan 2029	_	_	-,0222	2,320.06	_	_	2,320.06
May 2029	_	_	280.46	59.72	_	_	340.18
Nov 2029	_	_	490.02	404.78	_	_ [894.80
1.07 2027	-		770.02	707.70		"	00.500
	16,845.70	13,605.30	28,752.79	11,342.12	-	1,684.30	72,230.21

Add: interest accrued & effective interest rate amortisation**

3,982.79

*MLD represents market linked debentures

Interest accrued but not due is payable on next interest payment date for respective ISINs.



76,213.00

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:

Redeemable non-convertible debentures - unsecured

Month		Grand total					
Month	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	Grand total
Aug 2023 Apr 2026		-	21.60 110.00	- -	-	-	21.60 110.00
[*** 2020]			131.60	-			131.60

Add: interest accrued & effective interest rate amortisation**

10.34 141.94

As at March 31, 2019

Redeemable non-convertible debentures - secured

2441.			Rate of	Interest			C
Month	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	Grand total
Apr 2019	-	-	-	-	-	90.00	90.00
May 2019	-	-	125.00	-	470.00	180.70	775.70
Jun 2019	650.00	600.00	-	-	-	206.60	1,456.60
Jul 2019	-	-	_	-	125.00	156.50	281.50
Aug 2019	-	-	125.00	2,500.00	-	1,868.70	4,493.70
Sep 2019	-	250.00	-	-	-	143.00	393.00
Oct 2019	-	-	-	-	-	348.60	348.60
Nov 2019	-	-	125.00	-	-	343.30	468.30
Dec 2019	-	-	1,650.00	-	_	335.50	1,985.50
Jan 2020	-	-	_	-	-	536.60	536.60
Feb 2020	-	-	375.00	-	-	213.30	588.30
Mar 2020	-	-	500.00	1,404.69	-	269.00	2,173.69
Apr 2020	-	144.00	42.00	-	-	243.50	429.50
May 2020	-	37.00	215.00	-	-	24.00	276.00
Jun 2020	-	914.30	-	-	-	80.00	994.30
Jul 2020	_	_	28.00	-	-	45.70	73.70
Aug 2020	-	-	-	-	-	84.50	84.50
Oct 2020	-	-	-	2,666.67	-	54.00	2,720.67
Nov 2020	_	-	-	-	-	10.00	10.00
Dec 2020	10,840.00	500.00	1,220.00	-	-	20.20	12,580.20
Jan 2021	-	-	-	-	-	20.00	20.00
Mar 2021	_	1,000.00	-	_	-	-	1,000.00
Apr 2021	-	-	_	-	-	15.00	15.00
May 2021	-	-	-	-	-	50.00	50.00
Jun 2021	-	600.00	-	-	-		600.00
Aug 2021	_	-	11,077.91	-	-	-	11,077.91
Sep 2021	-	-	5,000.00	-	-	-	5,000.00
Jan 2022	-	_	-	-	-	1,119.50	1,119.50
Apr 2022	767.28	-	-	1,670.89	-	-	2,438.17
Oct 2022	-		750.00	-	-	-	750.00
Aug 2023	-	-	3,922.47	-	-	-	3,922.47
Oct 2023	-	-	750.00	-	-	_	750.00
Jan 2024	586.68	_	1,720.86	1,790.72	-	-	4,098.26
Oct 2024	-	-	750.00	· -	-	_	750.00
Dec 2024	-	-	-	200.00	_	_	200.00
Feb 2025	-	-	-	50.00	-		50.00
Mar 2025	-	_		100.00	-	-	100.00
Apr 2025	-	-	-	100.00	-	-	100.00
Aug 2025	-	-	-	_	-	30.00	30.00
Sep 2025	_	-	-	_	_	70.00	70.00
Oct 2025	-	-	875.00	200.00	-	-	1,075.00
Nov 2025	-	-	-	360.00	A CONTRACTOR OF THE PARTY OF TH	-	360.00
					1010	ancall	

esents market linked debentures

ccrued but not due is payable on next interest payment date for respective ISINs.

*MLD **

*ML

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:

Month			Rate of	Interest			Grand total
Within	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	Grand total
Dec 2025	-	-	250.00	-	-	10.00	260.00
Jan 2026	-	_	_	-	-	8.00	8.00
Mar 2026	_	-	250.00	_	-	400.00	650.00
May 2026	-	-	200.00	-	-	-	200.00
Jun 2026	-	-	225.00	_	-	_	225.00
Aug 2026	-	-	-	-	-	18.00	18.00
Mar 2027	-	-	5,000.00	-	-	-	5,000.00
Sep 2027	- [1,250.00	_	-	-	-	1,250.00
Aug 2028	-	_	4,698.48	-	-	-	4,698.48
Jan 2029	-	-	-	2,938.90	-	-	2,938.90
	12,843.96	5,295.30	39,874,72	13,981.87	595.00	6,994.20	79,585.05

Add: interest accrued & effective interest rate amortisation**

3,556.82

83,141.87

INR Bonds

Month		Rate of Interest							
Month	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Grand total			
Dec 2019	-	-	5,020.00	-	•	5,020.00			
•	_	_	5.020.00	_	-	5,020,00			

Add: interest accrued & effective interest rate amortisation** 177.22

5,197.22

Redeemable non-convertible debentures - unsecured

Month			Grand total				
Month	0.00%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	MLD*	Granu totai
Feb 2020	-	-	-	-	-	600.00	600.00
Aug 2023	-	-	21.60	_	-	-	21.60
Aug 2023 Apr 2026	_	-	110.00	-	-	-	110.00
	_	-	131.60	_	-	600.00	731.60

Add: interest accrued & effective interest rate amortisation**

174.56 **906.16**

*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:

Commercial papers - unsecured

As at March 31, 2020

Month	Rate of Interest					Grand total
With	7% - 8%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Grand total
May 2020		-	1,236.33	<u>.</u>	-	1,236.33
	-	-	1,236.33	-	-	1,236.33

As at March 31, 2019

Month		Grand total				
Month	7% - 8%	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Granu totai
Apr 2019	-	4,987.15	-	-	-	4,987.15
May 2019	-	-	493.07	-	-	493.07
Jul 2019	-	-	146.38	_	-	146.38
						,
	-	4,987.15	639.45	_	-	5,626.60





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

23.B Details of debt securities:

Redeemable non-convertible debentures - secured

Privately placed:

Privately placed debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

Public issue:

Debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets) and corporate guarantee from parent

During the previous year, the Company has raised Rs 7,325.95 millions worth of redeemable non-convertible debentures through public issue. As at March 31 2020 the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the prospectus.

Market linked debentures:

Market linked debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

INR Bonds (Masala Bond):

Debentures are secured by pari passu charge on receivables from financing business and securities held for trading.

Compulsory Convertible Debentures

9.00%, Compulsory Convertible Debentures (CCD) of Re 100 each fully paid are compulsory convertible into equity shares at conversion rate to be decided based on fair value of equity shares, at any time after 24 months from the date of allotment and within 5 years from date of allotment.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019
Borrowings other than debt securities		
(at amortised cost)		
Secured		
Term loan from bank	55,452.88	77,944.85
[Secured by charge on receivables from financing business] (Refer Note 24.A)		
Term loans from financial institutions	7,419.74	7,009.22
[Secured by charge on receivables from financing business]		·
(Refer note 24.A)		
Other borrowings		
Cash credit lines	14,166.77	22,322.04
[Secured by charge on receivables from financing business]		
(Repayable on demand, Interest rate payable in the range of 8.50% to 10%)		
Working capital demand loan	8,309.04	2,900.00
[Secured by charge on receivables from financing business]		
(Repayable on demand, Interest rate payable in the range of 8.65% to 10%)		
Tri party REPO		
TREPS facilitates, borrowing and lending of funds, in Triparty repo arrangement	7,752.70	2,097.03
[Secured by pledge of government securities]		
[Repayable on April 1,2020 (March 2019; Repayable on April 02. 2019]		
Unsecured		
Loan from related parties (refer note 48)	76,32	1,014.31
(Repayable on demand, Interest rate payable in the range of 11.00% to 12.25%)		
Total	93,177.45	1,13,287.45
Borrowings in India	93,177.45	1,13,287.45
Borrowings from outside India	<i>73</i> ,17,43	1,1J,207,4J -
2010 1. mgc 1. On Outside India		
Total	93,177.45	1,13,287.45





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

24.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

As at March 31, 2020

Term loan from bank & term loan from other parties

Month		Rate of I	nterest		Grand total
MICHUI	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Granu totai
Apr 2020	283.40	615.90	50.00	_	949.3
May 2020	100.00	187.50	25.00	_	312.5
un 2020	1,552.48	2,302.53	588.06	225.00	4,668.0
ul 2020	732.60	540.90	72.37	125.00	1,470.8
Aug 2020	100.00	187.50	25.00	125.00	312.5
Sep 2020	3,219.15	1,869.20	425.56	225.00	5,738.9
Oct 2020	200.00	565.90	22.37	125.00	913.2
vov 2020	100.00	187.50	25.00	125.00	312.5
Dec 2020	1,551.68	1,969.10	320.00	225.00	4,065.
an 2021	650.00	540.90	220.00	125.00	1,315.9
eb 2021	100.00	187.50	25.00	-	312.
Mar 2021	3,135.75	1,869.20	320.00	50.00	5,374.9
Apr 2021	200.00	565.90	-	125.00	890.9
May 2021	100.00	175.00	25.00	-	300.0
un 2021	1,469.08	1,969.20	320.00	50.00	3,808.2
ul 2021	650.00	541.00	520.00	125.00	1,316.6
Aug 2021	100.00	150.00	25.00	-	275.
Sep 2021	2,969.08	1,869.10	320.00	_	5,158.
Oct 2021	200.00	475.00	-	50.00	725.
Nov 2021	100.00	150.00	25.00	-	275.
Dec 2021	1,469.08	1,906.60	282.50	_	3,658.
an 2022	650.00	450.00	202.50	50.00	1,150.
eb 2022	100.00	150.00	25.00	-	275.
1ar 2022	2,906.58	665.00	150.00	_	3,721.
pr 2022	200.00	475.00	-	50.00	725.
1ay 2022	100.00	150.00	_	_	250.
un 2022	1,406.58	550.00	_	<u></u>	1,956.
ul 2022	650.00	450.00	-	50.00	1,150.
ug 2022	100.00	150.00	-	-	250.
ep 2022	2,856.58	450.00	_	.	3,306.
oct 2022	250.00	475.00	_	-	725.
lov 2022	100.00	150.00	-	_	250.
ec 2022	450.00	350.00	-	-	800.
an 2023	600.00	125.00	_	_	725.
eb 2023	100.00	150.00	_	-	250.
far 2023	100.00	450.00	-	_	550.
pr 2023	150.00	475.00	-	_	625.
fay 2023	-	150.00	_	-	150.
ın 2023	-	350.00	-	-	350.
ıl 2023	-	125.00	-	-	125.
ug 2023	_	150.00	-	_	150.
ep 2023	-	450.00	_	-	450.
ct 2023	-	475.00	-	-	475.
lov 2023	-	150.00	-	-	150.
ec 2023	_	350.00	-		350.
an 2024	-	125.00	-	-	125.
eb 2024	-	150.00	-	-	150.
1ar 2024	-	400.00	-		400.
pr 2024	-	175.00	_	To Sman	175.
(ay 2024	_	150.00	_	A STREET, STRE	150.
2024	- [175.00	-	1/07 \ / Sight	175.
2024	-	50.00	_		50.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

24.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

Term loan from bank & term loan from other parties (contd.)

Month		C			
Month –	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Grand total
Sep 2024	-	175.00	-	-	175.00
Oct 2024	<u>-</u>	100.00	_	-	100.00
Dec 2024		175.00	<u>.</u>	-	175.00
Jan 2025	-	50.00	-	<u>.</u>	50.00
Mar 2025	-	25.00	-	-	25.00
	29,702.04	28,440,43	3,070.86	1,600.00	62,813.33

Add: interest accrued & effective interest rate amortisation**

59.29

62,872.62

As at March 31, 2019

Term loan from bank & term loan from other parties

24. (1		C14.4.1			
Month	8% - 9%	9% - 10%	10% - 11%	11% - 12%	Grand total
	02.40	140.00	500.00		704.20
Apr 2019	83.40	140.90	500.00	-	724.30
May 2019		37.50	187.50	-	225.00
Jun 2019	511.20	2,961.16	693.06	200.00	4,365.42
Jul 2019	83.40	640.90	422.37	-	1,146.67
Aug 2019	125.00	137.50	87.50	-	350.00
Sep 2019	927.47	2,484.08	568.06	500.00	4,479.61
Oct 2019	83.40	140.90	1,972.37	-	2,196.67
Nov 2019		37.50	187.50	-	225.00
Dec 2019	458.40	6,454.08	668.06	200.00	7,780.54
Jan 2020	83.40	590.90	422.37	-	1,096.67
Feb 2020	-	137.50	25.00	-	162.50
Mar 2020	575.07	2,320.75	518.06	500.00	3,913.88
Apr 2020	83.40	140.90	1,972.37	-	2,196.67
May 2020	-	37.50	125.00	-	162.50
Jun 2020	358.40	2,654.08	593.06	200.00	3,805.54
Jul 2020	82.60	590.90	422.37	-	1,095.87
Aug 2020	-	137.50	25.00	-	162.50
Sep 2020	475.07	2,220.75	430.56	500.00	3,626.38
Oct 2020	-	140.90	1,922.37	-	2,063.27
Nov 2020	-	37.50	125.00	-	162.50
Dec 2020	307.60	6,074.91	475.00	200.00	7,057.51
Jan 2021	-	590.90	350.00	-	940.90
Feb 2021	-	137.50	25.00	-	162.50
Mar 2021	391.67	1,899.91	325.00	500.00	3,116.58
Apr 2021	-	140.90	1,900.00	-	2,040.90
May 2021	-	37.50	125.00	_	162.50
Jun 2021	225.00	1,949.91	425.00	200.00	2,799.91
Jul 2021	-	591.00	350.00	-	941.00
Aug 2021	-	137.50	25.00	-	162.50
Sep 2021	225.00	1,849.91	325.00	500.00	2,899.91
Oct 2021	-	50.00	1,825.00	-	1,875.00
Nov 2021	-	37.50	125.00	-	162.50
Dec 2021	225.00	6,091.58	425.00	200.00	6,941.58
Jan 2022		500.00	275.00	_	775.00
Feb 2022	_	137.50	25.00	_	162.50
1ar 2022	225.00	1,246.58	325.00	500.00	2 296 58
Apr 2022		50.00	1,825.00	7	1,875.00
2022	_	37.50	100.00	1/5.0/1	137.50

rest accrued but not due is payable on next interest payment date for respective term loan

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

24.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

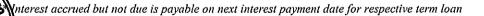
Term loan from bank & term loan from other parties (contd.)

Month		Grand total			
MOHIM	8% - 9%	9% - 10%	10% 11%	11% - 12%	Grand total
Jun 2022	100.00	1,056.58	425.00	200.00	1,781.58
Jul 2022	-	500.00	275.00	-	775.00
Aug 2022	-	137.50	-	-	137.50
Sep 2022	100.00	956.58	325.00	500.00	1,881.58
Oct 2022	- 1	50.00	1,775.00	-	1,825.00
Nov 2022	-	37.50	100.00	-	137.50
Dec 2022	50.00	150.00	425.00	-	625.00
Jan 2023	-]	500.00	225.00	-	725.00
Feb 2023	-	137.50	-	-	137.50
Mar 2023	50.00	-	325.00	-	375.00
Apr 2023	<u>.</u>	<u></u>	525.00	-	525.00
May 2023	-	37.50	-	_	37.50
Jun 2023	-	-	175.00	-	175.00
Jul 2023	-		75.00	-	75.00
Sep 2023		-	275.00		275.00
Oct 2023	_	_	375.00	-	375.00
Dec 2023	_	_	175.00	-	175.00
Jan 2024	-	-	75.00	-	75.00
Mar 2024	_	_	225.00	-	225.00
Apr 2024		-	75.00	-	75.00
	5,829.48	47,167.46	26,967.58	4,900.00	84,864.52

Add: interest accrued & effective interest rate amortisation**

89.55

84,954.07





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

	As at March 31, 2020	As at March 31, 2019
25. Subordinated liabilities (unsecured)		
(at amortised cost)		
(Refer Note 25.A)		
Subordinated debt		
Privately placed non-convertible redeemable	8,350.18	8,318.84
Public issue of non-convertible redeemable	4,409.10	4,357.01
Market linked debentures	3,756.95	4,045.92
Perpetual debt	3,273.05	3,272.82
Total	19,789.28	19,994.59
Subordinated liabilities in India	19,789.28	19,994.59
Subordinated liabilities outside India	-	-
Total	19,789.28	19,994.59

25.A Maturity profile and rate of interest of subordinated liabilities are set out below:

As at March 31, 2020

Subordinated debt (unsecured)

Month		Grand total			
Month	9% - 10%	10% - 11%	11% - 12%	MLD*	Grand total
Apr 2020	_	_	3,955.06	-	3,955.06
Sep 2020	-	-	500.00	-	500.00
Dec 2020	-	-	200.00		200.00
Jun 2022	-	-	500.00	-	500.00
Jun 2023	-	-	-	1,253.30	1,253.30
Jul 2023	-	-	-	253.00	253.00
Aug 2023	-	-	-	1,179.50	1,179.50
May 2025	-	-	2,998.00	-	2,998.00
Jun 2025	50.00	-	-	-	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	450.00	-	-	-	450.00
Jun 2027	100.00	-	-	-	100.00
Sep 2027	200.00	-	<u> </u>	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	1,800.00	2,700.00	8,153.06	2,685.80	15,338.86

Add: interest accrued & effective interest rate amortisation**

1,177.37

16,516.23

resents market linked debentures

accrued but not due is payable on next interest payment date for respective ISINs.



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

Perpetual debt

Month		Grand total		
Month	9% - 10%	10% - 11%	11% - 12%	Grand total
May 2027	-	3,000.00		3,000.00
	-	3,000.00	-	3,000.00

Add: interest accrued & effective interest rate amortisation**

273.05

3,273.05

As at March 31, 2019

Subordinated debt (unsecured)

Month			Rate of Interest					
		9% - 10%	10% - 11%	11% - 12%	MLD*	Grand total		
Apr	2020	_	-	4,000.00	-	4,000.00		
Sep	2020	_	-	500.00	_	500.00		
Dec	2020	-	-	200.00	_	200.00		
Jun	2022	_	-	500.00	_	500.00		
Jun	2023	_	-	-	1,751.60	1,751.60		
Jul	2023	_	-	-	253.00	253.00		
Aug	2023	_	-	-	1,179.50	1,179.50		
May	2025	-	-	3,000.00	-	3,000.00		
Jun	2025	50.00	-	-	-	50.00		
Sep	2025	-	200.00	-	-	200.00		
Jun	2026	-	2,500.00	-	_	2,500.00		
Apr	2027	450.00	-	-	-	450.00		
Jun	2027	100.00	-	-	-	100.00		
Sep	2027	200.00	-	-	-	200.00		
Oct	2027	1,000.00	-	-	-	1,000.00		
L		1,800.00	2,700.00	8,200.00	3,184.10	15,884.10		

Add: interest accrued & effective interest rate amortisation**

837.67

16,721.77

Perpetual debt

Month -		Grand Total		
Month	9% - 10%	10% - 11%	11% - 12%	Grand rotai
May 2027	-	3,000.00	-	3,000.00
	-	3,000.00	-	3,000.00

Add: interest accrued & effective interest rate amortisation**

272.82

3,272.82

its market linked debentures

ed but not due is payable on next interest payment date for respective ISINs.



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

25.B Details of subordinated liabilities:

Market Linked Debentures:

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level.

Perpetual debt:

Step up of 1% in coupon once during the life of the instrument after 10 years from the date of allotment. if call option is not exercised.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

		As at March 31, 2020	As at March 31, 2019
26.	Other financial liabilities		
	Payable on account of securitisation Book overdraft	3,650.11	750.24
	Accrued salaries and benefits	44.03 7.50	1,622.07 529.57
	Payable - SLB segment	253.51	673.72
	Lease liabilities (refer note 41.C)	267.10	-
		4,222.25	3,575.60
27.	Current tax liabilities (net)		
	Provision for taxation (net of advance Tax ₹ 5,527.18, previous year ₹ 5,384.86 million)	192.61	289.96
		192.61	289.96
28.	Provisions		
	Provision for employee benefits		
	Gratuity	4.77	4.40
	(Refer Note 40.A) Compensated leave absences	19.84	24.89
		24.61	29.29
29.	Other non-financial liabilities		
	Statutory liabilities*	280.09	56.17
	Others	65.54	156.32
		345.63	212.49

^{*} Includes withholding taxes, Provident fund, profession tax and other statutory dues payables





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

	As at March 31, 2020	As at March .	31, 2019
	No of shares Amount	No of shares	Amount
30. Equity share capital			
Authorised:			
Equity shares of Re.1 each	6,70,00,00,000 6,700.00	6,70,00,00,000	6,700.00
Preference shares of Rs 10 each	40,00,000 40.00	40,00,000	40.00
	6,70,40,00,000 6,740.00	6,70,40,00,000	6,740.00
Issued, subscribed and paid up:			
Equity shares of Re.1 each	2,13,82,67,650 2,138.27	2,13,82,66,650	2,138.27
	2,13,82,67,650 2,138.27	2,13,82,66,650	2,138.27
A. Reconciliation of number of shares			
	As at March 31, 2020	As at March	31, 2019
	No of shares Amount	No of shares	Amount
O and all and the state of the state of		1.04.01.07.252	1.040.11
Outstanding at the beginning of the year Shares issued during the year*	2,13,82,66,650 2,138.27 1,000 0*	1,94,81,07,252 19,01,59,398	1,948.11 190.16
Outstanding at the end of the year	2,13,82,67,650 2,138.27	2,13,82,66,650	2,138.27
annumber me and an malant	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_,,,00,000	2,100.27

Notes:

Financial year 2020

During the year the Company has issued 1000 fully paid-up equity shares of $\stackrel{?}{_{\sim}}$ 1 each at a premium of $\stackrel{?}{_{\sim}}$ 31 each for aggregate consideration of $\stackrel{?}{_{\sim}}$ 32,000 to CDPQ Private Equity Asia Pte Limited.

Financial year 2019

During the year the Company has issued 19,01,59,398 fully paid-up equity shares of ₹ 1 each at a premium of ₹ 20.33 each for aggregate consideration of ₹ 4,056.10 million to Edel Finance Company Limited and Edelweiss Financial Services Limited.

B. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

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

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

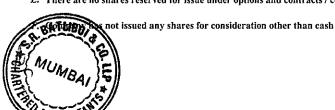
	As at March 3	1, 2020	As at March :	31, 2019
	No of shares	% holding	No of shares	% holding
Holding company				
Edelweiss Financial Services Limited	1,66,19,89,133	77.73%	1,66,19,89,133	77.73%
Fellow subsidiaries				
Edelweiss Securities Limited	9,74,16,683	4.56%	9,74,16,683	4.56%
Edelweiss Rural & Corporate Services Limited	29,44,72,650	13.77%	29,44,72,650	13.77%
Edel Finance Limited	8,43,88,184	3.95%	8,43,88,184	3.95%
Others				
CDPQ Private Equity Asia Pte Limited.	1,000	0.00%	-	0.00%
	2,13,82,67,650	100.00%	2,13,82,66,650	100.00%

D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2020	As at March	31, 2019
	No of shares % holding	No of shares	% holding
Holding company# Edelweiss Financial Services Limited	1.66.19.89.133 777.73%	1,66,19,89,133	77.73%
Fellow subsidiaries		, ,	
Edelweiss Rural & Corporate Services Limited	29,44,72,650 13.77%	29,44,72,650	13.77%
	1,95,64,61,783 91.50%	1,95,64,61,783	91.50%

[#] including 6 shares held by nominees of Edelweiss Financial Services Limited

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





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

31. Other equity

Securities premium reserve
Statutory reserve
Debenture redemption reserve
Retained earnings
Deemed capital contribution - equity
Revaluation Reserve

As at
March 31, 2019
11,879.93
5,024.31
3,837.87
15,474.12
140.02
-
36,356.25

A. Nature and purpose of reserves

a. Securities premium reserve

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

b. Statutory reserve

Reserve created under 45-IC(1) in 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.

c. Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being NBFC has to maintain debenture redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the amendment in the Companies Act 2013, debenture redemption reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures

d. Retained earnings

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

e. Deemed capital contribution - equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

f. Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment done





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

31. Other equity

B. Movement in Other equity

	ng balance Premium Received on issue of securities	
II. Sta	ry reserve	
O	ng balance	

IV. Retained earnings

Opening balance

Opening balance

III. Debenture redemption reserve

Add: (Loss) / Profit for the year Add: Other comprehensive income Less: Income tax effect of ESOP Less: Impact of Lease accounting

Add: Reserve created for the year

Amount available for appropriation Appropriations:

Transfer to debenture redemption reserve Transfer to statutory reserve

V. Deemed capital contribution - equity

Opening balance

Add: ESOP charge for the year

VI. Revaluation Reserve

Opening Balance

Add: Reserve Created during the year



As at March 31, 2020	As at
March 31, 2020	March 31, 2019
11,879.93	7,983.01
0.03	3,896.92
11,879.96	11,879.93
500431	2 000 54
5,024.31	3,892.54
	1,131.77
5,024.31	5,024.31
3,837.87	1,720.61
~, ~, ~, ·, ·, ·, ·, ·, ·, ·, ·, ·, ·, ·, ·, ·,	2,117.26
3,837.87	3,837.87
15,474.12	13,327.50
(14,144.59)	5,658.83
(0.91)	(3.30)
-	(259.88)
(22.87)	-
1,305.75	18,723.15
-	(2,117.26)
•	(1,131.77)
05.0000	
-	(3,249.03)
1,305.75	15,474.12
	10,11,112
140.02	140.02
-	-
140.02	140.02
, <u></u>	-
457.43	-
457.43	_
	27.257.25
22,645.34	36,356,25



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)	For the year ended March 31, 2020	For the year ended March 31, 2019
32. Interest Income		
On financial assets measured at amortised cost	사용이 환경 환경 기계 (1985년 - 1985년 - 1985년 - 1985년	
Interest on loans		
Loans	31,962.15	35,233.31
Interest income from investments		
Collateralised borrowing and lending operations / TriParty REPO Investment in preference shares	19.89 63.39	93.88 58.05
·		20.03
Interest on deposits with bank Fixed deposits	59.81	45.42
	32.01	75.72
Other interest income Margin with brokers	132,00	33.39
Others	26.70	31.09
	32,263.94	35,495.14
On financial assets measured at FVTPL	34,403.74	20,470.14
Interest income from investments		
Interest income - securities held for trading	1,466.44	2,099.35
	1,466.44	2,099.35
33. Dividend Income	33,730.38	37,594.49
55. Dividend income		
Dividend - Securities held for trading	1,466.33	1,902.68
Dividend - preference shares	0.70	0.70
	1,467.03	1,903.38
34. Fee income		
Processing and other fees	1,369.00	1,173.28
1100033111g and other roos	1,369.00	1,173.28
	1,307.00	1,115,20
35. Net gain/ (loss) on financial instruments at FVTPL		
Investments		
Profit on trading - Securities held for trading (net)	1,749.07	690.70
Fair value - Securities held for trading (net)	(1,714.75)	(1,867.21)
Derivatives		50.05
Profit on trading - Interest rate swap (net) Profit on trading - Equity derivative instruments (net)	75.77 769.19	52.37 14.43
Profit on trading - Currency derivative instruments (net)	7. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	-
Profit / (loss) on trading - Interest rate derivative instruments (net)	(381.88)	28.29
Fair value - Derivative financial instruments (net)	(210.11)	156.95
Others		£21.44
Profit on sale/redemption - Security receipts Fair value - Security receipts	70.25 (775.88)	561.44 (282.13)
(Refer note 39.A)		(=====)
	(440.2)	(648.16)
	(418.34)	(645.16)
Fair value changes		4.045.00
Realised Unrealised	2,282.40 (2,700.74)	1,347.23 (1,992.39)
· ·		
36. Other income	(418.34)	(645.16)
Miscellaneous income	28.46	148.59
(5) The state of t	28.46	148.59

Notes to the financial statement for the year ended March 31, 2020

(Curre	ency:Indian rupees in million)	For the year ended March 31, 2020	For the year ended March 31, 2019
37.	Finance costs		
	On financial liabilities measured at amortised cost		
	Interest on borrowings other than debt securities	11,234.42	12,369.14
	Interest on debt securities	11,001.21	10,191.50
	Interest on subordinated liabilities	1,415.87	1,404.30
	Other finance cost and bank charges	585.10	433.32
	Interest on lease liabilities	28.85	-
	(Refer note 41.C)		
		24,265.45	24,398.26
			,
38.	Net loss on derecognition of financial instruments (Refer note 39.A)		
	Loss on sale of credit impaired assets	12,101.74	970.36
	(Refer note 54.D)		
		12,101.74	970.36
39.	Impairment on financial instruments		
	(Refer note 39.A)		
	Provision for diminution in value of Investment	46,23	-
	Expected credit loss		
	Loans (Including undrawn commitments)	10,413.67	1,502.30
	Trade receivables	20.52	0.32
	Other Credit Cost	770.29	-
	Provision for credit loss on securitisation	2.27	(4.21)
		11,252.98	1,498.41

39.A During the year ended March 31, 2020, the Company completed its re-assessment of probability of default, loss given default in respect of exposures to certain sectors that were experiencing operational challenges. Credit and market risks for certain counter parties increased significantly relative to such risks at initial recognition, resulting in recognition of higher amount of expected credit losses and gain/loss on fair value changes for the year ended March 31, 2020. Management judgement for expected credit losses and gain/loss on fair values changes has been accentuated on account of factors caused by the COVID-19 pandemic. Accordingly, the Company has recorded for the year ended March 31, 2020, an amount of Rs. 11,252.98 millions towards impairment on financial instruments, Rs. 12,101.74 towards net loss on derecognition of financial instrument and Rs. 775.88 towards fair value change on security receipts.

		For the year ended March 31, 2020	For the year ended March 31, 2019
40.	Employee benefit expenses		
	Salaries wages and bonus	1,531.49	2,198.79
	Contribution to provident and other funds	106.90	110.49
	Expense on share based payments - refer note below	46.66	45.69
	Staff welfare expenses	51.15	55.32
		1.726.30	2.410.20

Notes:

weiss Financial Services Limited ("EFSL") the holding Company has granted an ESOP/ESAR option to acquire equity shares of EFSL weight downward to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of his supptions, Company has accepted such cross charge and recognised the same under the employee cost.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

40.A 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

The Company recognised Rs. 82.36 million (March 31, 2019: Rs 83.21 million) for provident fund and other contributions 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 non-contributory defined benefit arrangement providing lumpsum gratuity benefits expressed in terms of final monthly salary and year of service, 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 most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. 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

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:

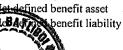
Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations (A) Fair value of plan assets (B)	102.01 97.24	93.02 88.62
Present value of funded obligations (A - B)	4.77	4.40
Net deficit / (assets) are analysed as:		
Liabilities - (refer note 27)	4.77	4.40

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

	Defined benefit	obligation (DBO)	Fair value o	f plan assets	Net defined bene	fit (asset) liability
Particulars	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance	93.02	58.74	88.62	59.48	4.40	(0.74)
Current service cost	19.82	21.16	_	-	19.82	21.16
Interest cost (income)	6.50	5.22	5.80	4.00	0.70	1.22
	119.34	85,12	94.42	63.48	24.92	21.64
Other comprehensive income						
Remeasurement loss (gain):		-	-	(0.02)	-	0.02
Experience	(11.28)	3.54	(5.72)	_	(5.56)	3.54
Financial assumptions	6.11	1.52	-	•	6.11	1.52
	(5.17)	5,06	(5.72)	(0.02)	0.55	5.08
Others						
Transfer in/ (out)	(0.09)	12.68	_	_	(0.09)	12,68
Contributions by employer		-	20.61	35.00	(20.61)	1
Benefits paid	(12.07)	(9.84)	(12.07)	(9.84)	- 1	•
Closing balance	102.01	93.02	97.24	88.62	4.77	4.40
Represented by			A CONTRACT OF THE PROPERTY OF			14 14

Represented by





4.77	4.40
4.77	4.40

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

40.A Employee Benefits

Components of defined benefit plan cost:

For year ended	For year ended
March 31, 2020	March 31, 2019
19.82	21.16
0.70	1.22
20.52	22.38
0.55	5.08
0.55	5.00
	5.08
as at	:
March 31, 2020	March 31, 2019
97.24	88.62
97.24	88.62
	19.82 0.70 20.52 0.55 0.55

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Actuarial assumptions:

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

	As at	As at
Particulars	March 31, 2020	March 31, 2019
Discount rate	5,90%	7.00%
Salary growth rate	7.00%	7.00%
Withdrawal/attrition rate (based on categories)	13% to 25%	13% to 25%
Mortality rate	IALM 2012- 14(Ultimate)	
Expected weighted average remaining working lives of employees	4 Years	5 Years
Interest rate on net DBO/ (asset) (% p.a.)	7.00%	7.30%

Notes:

- a) The discount rate is based on the benchmark yields available on Government Bonds at reporting date.
- b) The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.
- c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

40.A Employee Benefits

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2020	As at March 31, 2019	
	Increase Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%) Discount Rate (+/- 1%) Withdrawal Rate (+/- 1%)	5.61 (5.29) (5.30) 5.73 0.30 (0.33)	5.36 (4.89) 0.80	(4.93) 5.41 (0.78)

Note: 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 year to the methods and assumptions underlying the sensitivity analyses.

Description of asset liability matching (ALM) policy

The Company has an insurance plan invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 5 years (March 31, 2018: 5 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Expected future contributions

The Company expects to contribute Rs.5 million to the fund in the next financial year.

Asset liability comparisons

Particulars	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Present value of DBO	102.01	93.02	58.74	46.95
Fair value of plan assets	97.24	88.62	59.48	50.31
Net (assets)/liability	4.77	4.40	(0.74)	(3.36)

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.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

41. Other	expenses
-----------	----------

*
Advertisement and business promotion
Auditors' remuneration (refer note 41.A)
Commission and brokerage
Communication
Directors' sitting fees
Insurance
Legal and professional fees
Management fees paid to Asset reconstruction companies
Printing and stationery
Rates and taxes
Rent (refer note 41.C & 41.D)
Repairs and maintenance (refer note 41.D)
Electricity charges (refer note 41.D)
Computer expenses
Corporate social responsibility (refer note 41.B)
Clearing & custodian charges
Dematerialisation charges
Rating support fees (refer note 41.D)
Loss on sale of property, plant and equipment
Membership and subscription
Office expenses (refer note 41.D)
Securities transaction tax
Loan origination cost
Goods & service tax expenses
Stamp duty
Travelling and conveyance
Miscellaneous expenses
Housekeeping and security charges (refer note 41.D)

For the year ended	For the year ended
March 31, 2020	March 31, 2019
20.88	61.46
17.02	13.28
218.94	458.48
20.88	27.28
1.00	0.76
0.34	0.16
678.13	702.41
676.62	26.72
13.30	13.38
(2.27)	14.17
134,36	194.54
17.00	19.17
10.92	31.09
78.31	26.31
196.60	125.54
36.43	0.86
4.24	2.17
30.57	3.84
(2.15)	-1.29
3.96	3.55
727.93	365.67
115.37	41.19
542.46	333.29
554.75	264.54
58.40	56.12
64.14	103.76
51.24	41.14
25.42	31.69
4,294.79	2,961.28

41.A Auditors' remuneration:

As a Auditor

Statutory audit of the company Limited review

Fees for debentures issuances

Towards reimbursement of expenses



For the year ended	For the year ended
March 31, 2020	March 31, 2019
7.00	5.55
3.00	1.80
6.35	5.53
0.67	0.40
17.02	13.28



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

41.B Details of CSR Expenditure:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.	166.56	121.54
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	196.60	125.54
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets		·
ii) On purpose other than (i) above	•	-
	196.60	125.54
Amount paid to EdelGive Foundation	166.00	122.24
(refer note 49 related party disclosure)		
Paid to external parties	30.60	3.30
	196.60	125.54
	170.00	125.54

41.C Transition to Ind AS 116 on Lease

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual report for the year ended March 31, 2019.

Right to use of assets

	As at March 31, 2020
Building	1141-01-31, 2020
Opening balanec as at April 01, 2019 (Transition to Ind AS 116)	237.51
Addition during year	60.55
Depreciation expenses	(72.53)
Closing balance as at March 31, 2020	225.53

Lease liability

As at March 31, 2020
268.07
60.55
28.85
(90.37)
267.10
1907/24/20 12/07/20



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs 237.51 millions and a lease liability of Rs 268.07 millions. The cumulative effect of applying the standard resulted in Rs. 22.87 millions being debited to retained earnings, net of taxes.

Amount recognised in statement of profit and loss

	For the year ended March 31, 2020
Depreciation expenses - right of use assets	72.53
Interest expenses on lease liabilities	28.85
Expenses relating to short term leases (included in other expenses)	134.36
Total amount recognised in statement of profit and loss	235.74

41.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group Mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 40 and 41 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 1,001.26 millions (previous year Rs. 601.19 millions)





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

42. Income tax

Component of income tax expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax Adjustment in respect of current income tax of prior years Deferred tax relating to temporary differences	(117.39) (3,413.25)	2,342.70 55.92 (228.00)
Total tax charge for the year	(3,530.64)	2,170.62
Current tax (refer note 42.A) Deferred tax (refer note 42.B)	(117.39) (3,413.25)	2,398.62 (228.00)

42.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before taxes	(17,675.23)	7,829.45
Statutory income tax rate	25.17%	34.94%
Tax charge at statutory rate	(4,448.50)	2,735.92
Tax effect of:		
A) Adjustment in respect of current income tax of prior year	(117.39)	55.92
B) Income not subject to tax or chargeable to lower tax rate Dividend income	(385.65)	(666.45)
C) Tax impact due to revaluation of deferred tax due to change in Income tax rate*	415.78	-
D) Tax loss on which no deferred tax is created	954.78	-
E) Non deductible expenses	50.34	44.34
F) Others		
Profit from EARC Trusts (taxed on realisation)	•	0.89
Total tax reported in statement of profit and loss	(3,530.64)	2,170.62
Effective income tax rate	19.98%	27.72%

*The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying Income tax at reduced rates. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020. The Company has also remeasured its deferred tax assets (net) basis the rate prescribed in the aforesaid section resulting in additional tax charge of Rs. 415.78 millions.



Notes to the financial statement for the year ended March 31, 2020

No	tes to the financial statement for the year ended March 31, 2020					
(Cı	urrency:Indian rupees in million)					
#S.R.4	S'/X	nd changes recorded i	n Income tax expense	s:		
MUND PL		As at	Recognised in profit or		Recognised directly	As at
	For the year ended March 31, 2020	April 01, 2019	loss	Recognised in OCI	in equity	March 31, 2020
Call	- X Jordin Car tax abbots					
ANTS	Expected credit loss provision	1,853.25	388.20	-	•	2,241.45
	Effective interest rate on financial assets	309.27	(93.29)	-	•	215.98
	Stage 3 Income recognition	26.38	57.88	-	-	84.26
	Retirement benefits	10.53	(3.71)	(0.36)	-	6.46
	Accumulated Loss	-	1,869.34	-	-	1,869.34
	Others	2.66	(42.18)	-	7.69	(31.83)
	Deferred tax liabilities					
	Difference between book and tax depreciation (including intangibles)	(26.97)	8.62	-	-	(18.35)
	Revaluation of Property Plant & Equipments	-	-	(153.85)	-	(153.85)
	Effective interest rate on financial liabilities	(413.48)	, ,	-	-	(420.10)
	Fair valuation of assets and liabilities	(272.52)	1,305.00	-	-	1,032.48
	Interest spread on assignment transactions	(2.90)	(69.99)	-	-	(72.89)
	Deferred tax asset (net)	1,486.22	3,413.25	(154.21)	7.69	4,752.95
		As at	Recognised in profit or		Recognised directly	As at
	For the year ended March 31, 2019	April 01, 2018	loss	Recognised in OCI	in equity	March 31, 2019
	Deferred tax assets					
	Expected credit loss provision	1,450.39	402.86	-	-	1,853.25
	Effective interest rate on financial assets	336.86	(27.59)	-	-	309.27
	Stage 3 Income recognition	(139.02)		•	-	26.38
	Retirement benefits	45.47	(36.72)	1.78		10.53
	Tax break on employee stock option scheme	259.88	•	-	(259.88)	-
	Others	(2.85)	5.51	-	-	2.66
	Deferred tax liabilities					
	Difference between book and tax depreciation (including intangibles)	(24,29)	(2.68)	-	-	(26.97)
	Effective interest rate on financial liabilities	(133.36)	(280.12)	-	-	(413.48)
	Fair valuation of assets and liabilities	(271.50)	(1.02)	-	-	(272.52)
	Interest spread on assignment transactions	(5.26)	The state of the s	-	-	(2.90)
	Deferred tax asset (net)	1,516.32	228.00	1.78	(259.88)	1,486.22

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

43. Earnings per Share

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

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic Earnings per Share		
Net (Loss) / Profit attributable to Equity holders of the Company - A	(14,144.59)	5,658.83
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	2,138.27	1,948.11
- Number of equity shares issued during the year	0.00	190.16
Total number of equity shares outstanding at the end of the year	2,138.27	2,138.27
Weighted average number of equity shares outstanding during the year (based on the date of		
issue of shares) - B	2,138.27	2,072.55
Basic/Diluted (loss) / earnings per share (in rupees) (A/B)	(6.61)	2.73

44. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Contingent Liability

Y	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Taxation matters of assessment year 2013-14, assessment year 2014-15 and assessment year 2015-16 in respect of which appeal is pending	Nil	Nil
Litigation pending against the Company	190.95	657.51

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote"

	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for the Undrawn countries of creditions.	10.18 15,637.40	33.00 31,481.63
(\$\frac{2}{2}\munitary \text{munitary} \text{2}\text{2}\text{2}		

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

45. Segment Reporting

Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Canital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and retail financing

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Segment information as at and for the year ended March 31, 2020

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	31,761.24	1,942.45	26.70	33,730.39
Other Operating income	597.07	1,849.07	-	2,446.14
Total Revenue from Operations	32,358.31	3,791.52	26.70	36,176.53
Interest Expenses	21,203.18	3,062.27	-	24,265.45
Other Expenses	29,013.18	375.54	197.59	29,586.31
Total Expenses	50,216.36	3,437.81	197.59	53,851.76
Segment profit/(loss) before taxation	(17,858.05)	353.71	(170.89)	(17,675.23)
Income Tax Expenses			(3,530.64)	(3,530.64
Profit for the year				(14,144.59
Other Comprehensive Income	457.43		(0.91)	456.52
Total comprehensive (loss) / income				(13,688.07
Segment Assets	2,02,140.98	24,421.58	7,065.35	2,33,627.91
Segment Liabilities	1,81,787.59	20,088.41	6,968.30	2,08,844.30
Capital expenditure	124.76	-	-	124.76
Depreciation and amortisation	198.09	2.52	-	200.61
n-cash items	11,206.76	46.23	00000	11,252.99

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

45. Segment Reporting

Segment information as at and for the year ended March 31, 2019

Particulars	Financing business	Capital based business	Unallocated	Total
Revenue from Operations				
Interest Income	35,276.06	2,316.05	2.38	37,594.49
Other Operating income	1,460.02	1,064.20	55.87	2,580.09
Total Revenue from Operations	36,736.08	3,380.25	58.25	40,174.58
Interest Expenses	22,072.60	2,322.43	3.22	24,398.25
Other Expenses	7,366.49	434.17	146.22	7,946.88
Total Expenses	29,439.09	2,756.60	149.44	32,345.13
Segment profit/(loss) before taxation	7,296.99	623.65	(91.19)	7,829.45
Income Tax Expenses			2,170.62	2,170.62
Profit for the year				5,658.83
Other Comprehensive Income			(3.30)	(3.30)
Total comprehensive (loss) / income				5,655.53
Segment Assets	2,41,472.53	30,910.51	2,262.85	2,74,645.89
Segment Liabilities	2,11,466.04	24,328.36	356.97	2,36,151.37
Capital expenditure	210.96	-	-	210.96
Depreciation and amortisation	106.53	-	-	106.53
Significant non-cash items	2,654.58	1.00	0.06	2,655.64





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

46. Transfer of financial assets

46.A Transferred financial assets that are not derecognised in their entirety

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Securitisations		
Carrying amount of transferred assets (held as Collateral)	3,907.82	704.93
Carrying amount of associated liabilities	3,412.55	750.24
Fair value of assets	3,752.60	848.48
Fair value of associated liabilities	3,552.51	784.84
Net position at FV	200.09	63.64

46.B Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement:

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

47. Change in liabilities arising from financing activities

Particulars	As at April 01, 2019	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2020
Debt securities	94,871.85	(6,961.62)	_	723.48	88,633.71
Borrowings other than debt securities	1,13,287.45	(20,080.91)	•	(29.09)	93,177.45
Subordinated liabilities	19,994.59	(471.31)	-	266.00	19,789.28
	2,28,153.89	(27,513.84)	4	960.39	2,01,600.44

Particulars	As at April 01, 2018	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2019
Debt securities	71,833.44	22,000.69	-	1,037.72	94,871.85
Borrowings other than debt securities	1,38,208.56	(24,983.32)	-	62,21	1,13,287.45
Subordinated liabilities	19,579.76	-	-	414.83	19,994.59
	2,29,621.76	(2,982.63)	-	1,514.76	2,28,153.89

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





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

48. 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. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As a	it March 31, 20	20	As at March 31, 2019		
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	18,128.42	-	18,128.42	985.40	-	985.40
Bank balances other than cash and cash equivalents	7,373.45	131.69	7,505.14	311.18	159.06	470.24
Derivative financial instruments	709.13	80.24	789.37	377.63	5.67	383.30
Securities held for trading	13,611.35	-	13,611.35	18,379.37	-	18,379.37
Trade receivables	2,041.16	-	2,041.16	720.99	-	720.99
Loans	44,230.48	83,953.92	1,28,184.40	72,085.90	1,65,880.84	2,37,966.74
Investments	787.03	48,960.67	49,747.70	0.43	10,750.37	10,750.80
Other financial assets	2,460.55	720.84	3,181.39	1,964.72	-	1,964.72
Non-financial assets						
Current tax assets (net)	-	1,779.55	1,779.55	-	422.36	422.36
Deferred tax assets (net)	-	4,752.95	4,752.95	-	1,486.22	1,486.22
Investment Property	•	1,162.00	1,162.00	_	-	_
Property, plant and equipment	_	1,338.65	1,338.65	-	538.32	538.32
Capital work in progress	_	· -	-	_	13.52	13.52
Intangible assets under development	-	10.60	10.60	_	54.00	54.00
Other intangible assets	=	107.69	107.69		78.50	78.50
Other non- financial assets		1,287.54	1,287.54	431.41	-	431.41
Total Assets	89,341.57	1,44,286.34	2,33,627.91	95,257.03	1,79,388.86	2,74,645.89
Financial Liabilities						
Derivative financial instruments	934,64	20.71	955.35	258.07	218.76	476.83
Trade payables	1,503.41	-	1,503.41	3,413.31	-	3,413.31
Debt securities	31,283.47	57,350.24	88,633.71	27,842.39	67,029.46	94,871.85
Borrowings (other than debt securities)	56,196.83	36,980.62	93,177.45	55,210.08	58,077.37	1,13,287.45
Subordinated liabilities	5,743.02	14,046.26	19,789.28	992.22	19,002.37	19,994.59
Other financial liabilities	1,610.78	2,611.47	4,222.25	3,575.60	-	3,575.60
Non-financial liabilities						
Current tax liabilities (net)	_	192.61	192.61		289.96	289.96
Provisions	-	24.61	24.61	_	29.29	29.29
Other non-financial liabilities	345.63	-	345.63	212.49	-	212.49
Total Liabilities	97,617.78	1,11,226.52	2,08,844.30	91,504.16	1,44,647.21	2,36,151.37
Net	(8,276.21)	33,059.82	24,783.61	3,752.87	34,741.65	38,494.52
LICE	(0,4/0.41)	22,027.02	47,703.01	3,134.01	37,171.03	20,777.22

Notes:

The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 14,166.77 million as at March 31, 2020 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket. Subsequent to March 31, 2020, lenders have rolled over the short term cash credit facility amounting to Rs. 8,000 million into long term working capital demand loan.

Additionally, subsequent to balance sheet date, the Company has, as part of its ALCO activities, with a focus on raising long term funds approached bankers for raising funds through LTRO and PCG schemes offered by the Reserve Bank of India as part of COVID-19 package. Till date, the Company has raised Rs. 6,750 million through LTRO scheme and Rs. 1,250 million through PCG scheme.





Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

A) List of related parties and relationship:

Name of related parties by whom control is exercised:

Holding company

Fellow subsidiaries

(with whom transactions have taken place)

Edelweiss Financial Services Limited

Edelweiss Housing Finance Limited

Edelweiss Finvest Private Limited

EC Commodity Limited

ECap Equities Limited

Edel Investments Limited

Edelweiss General Insurance Company Limited

Edel Finance Company Limited

Edelcap Securities Limited

EdelGive Foundation

Edelweiss Asset Management Limited

Edelweiss Broking Limited

EFSL Trading Limited (Merged with Edelweiss Rural & Corporate Services

Edelweiss Agri Value Chain Limited (Merged with Edelweiss Rural &

Edelweiss Business Services Limited (Merged with Edelweiss Rural &

Edelweiss Capital Markets Limited (Merged with Edelweiss Rural &

Edelweiss Metal Limited

Edelweiss Rural and Corporate Services Limited

Edelweiss Finance and Investments Limited

Edelweiss Securities Limited

Edelweiss Comtrade Limited

Edelweiss Global Wealth Management Limited

Edelweiss Tokio Life Insurance Company Limited

Edelweiss Custodial Services Limited

Edelweiss Asset Reconstruction Company Limited

Edelweiss Retail Finance Limited

Edelweiss Alternative Asset Advisors Limited

Edelweiss Investment Advisors Limited

Edelweiss Insurance Brokers Limited

Edel Land Limited

EFSL Commodities Ltd (EFSLC)

Edelweiss Asset Reconstruction Company Limited - SC 348

Edelweiss Asset Reconstruction Company Limited - SC 298

Edelweiss Asset Reconstruction Company Limited - SC 342

Edelweiss Asset Reconstruction Company Limited - SC 372

Edelweiss Asset Reconstruction Company Limited - SC 381 Edelweiss Asset Reconstruction Company Limited - SC 384

Edelweiss Asset Reconstruction Company Limited - SC 386

Edelweiss Asset Reconstruction Company Limited - SC 387

Edelweiss Asset Reconstruction Company Limited - SC 391

Edelweiss Asset Reconstruction Company Limited - SC 392

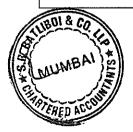
Edelweiss Asset Reconstruction Company Limited - SC 393

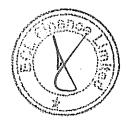
Edelweiss Asset Reconstruction Company Limited - SC 394

Edelweiss Securities And Investments Private Limited

EFSL Comtrade Limited

Edelweiss Gallagher Insurance Brokers Limited





Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

A) List of related parties and relationship (Contd..)

Key management personnel	Raviprakash R. Bubna (upto March 31, 2019)
	Rashesh Shah
	Himanshu Kaji (upto June, 30, 2019)
	Deepak Mittal
	Venkatchalam Ramaswamy
	PN Venkatachalam
	Kunnasagaran Chinniah (w.e.f. February 18, 2019)
·	Vidya Shah
	Biswamohan Mahapatra
	Lim Meng Ann (w.e.f. May 07, 2019)
	Phanindranath Kakarla (w.e.f. April 01, 2019)
Relative of key management personnel	Pooja Mittal
(with whom transactions have taken place)	Aparna T. Chadrashekhar
	Ramautar S Bubna (upto March 31, 2019)
	Sandhya R. Bubna (upto March 31, 2019)
	Sharda R. Bubna (upto March 31, 2019)
Enterprises over which promoter /KMPs/ relatives exercise significant influence, with whom transactions have taken place	Ravi R Bubna HUF (upto March 31, 2019)
	Evyavan Global Private Limited (upto March 31, 2019)
	Evyavan Mercantile Private Limited (upto March 31, 2019)





Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Capital account transactions		
Issuance of equity share capital		
Edelweiss Financial Services Limited	_	3,456.10
Edel Finance Company Limited	_	600.00
Current account transactions		
Loans taken from		
Edelweiss Rural and Corporate Services Limited	10,080.00	48,320.00
Edelweiss Retail Finance Limited	1,190.00	•
Edelweiss Housing Finance Limited	2,500.00	-
Loan repaid to		
Edelweiss Rural and Corporate Services Limited	10,259.60	61,740.69
Edelweiss Retail Finance Limited	1,350.00	-
Edelweiss Housing Finance Limited	2,000.00	-
Loans given to		
Edelweiss Rural and Corporate Services Limited	4,000.00	4,573.30
Loans repaid by		
Edelweiss Rural and Corporate Services Limited	4,000.00	4,573.30
Loans given including interest accrual to key management personnel & relatives		
Rayi R Bubna HUF	· _	282.62
Evyavan Global Private Limited	_	15.34
Evyavan Mercantile Private Limited	_	94.31
Deepak Mittal	24.75	606.22
Pooja Mittal	7.61	580.31
Aparna T. Chadrashekhar	•	221.11
Repayment of loans including interest by key management personnel & relative:		
Ravi R Bubna HUF	_	318.23
Evyavan Global Private Limited	_	92.38
Evyavan Mercantile Private Limited	_	503.4
Deepak Mittal	366.93	264.04
Pooja Mittal	276.57	311.3
Aparna T. Chadrashekhar	2,70.37	221.11
Sandhya R. Bubna	-	0.01
Issuance of Non Convertible Debentures		
Edelweiss Rural and Corporate Services Limited	200.00	-
Issuance of benchmark linked debentures Edelweiss Asset Management Limited	44.20	-
2000, 000, 1000, 1000, 20		
Redemption - benchmark linked debentures	5 504 70	2 72 1 04
ECap Equities Limited	5,504.70	3,731.23
Edelweiss Rural and Corporate Services Limited	-	52.49
Secondary market transactions		
Purchases of securities from		
ECap Equities Limited	597.64	1,365.64
Edelweiss Rural and Corporate Services Limited	2,787.05	20,531.6
Edelweiss Finance and Investments Limited	1,646.89	2,448.83
Edelweiss Broking Limited	254.45	53.4
Edelweiss Tokio Life Insurance Company Limited	507.49	1,309.0
Edelweiss Finvest Private Limited	665.86	3,592.7
Edelaries General Insurance Company Limited	157.75	108.1
& Limited	1 W EN - I	240.1.
delweiss Refail Vinance Limited	2,323.50	-

Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Edelweiss Securities Limited	2.85	_
Edelweiss Asset Reconstruction Company Limited	10.00	-
. ,		
Sale / subscription* of securities		
ECap Equities Limited	1 505 20	782.51
Edelweiss Rural and Corporate Services Limited Edelweiss Finance and Investments Limited	1,727.30 724.39	26,356.82 2,625.64
Edelweiss Finance and investments Limited Edelweiss Securities Limited	247.30	1,188.74
Edelweiss Broking Limited	2,052.95	400.54
Edelweiss Tokio Life Insurance Company Limited	275.65	477.46
Edelweiss Housing Finance Limited	-	1,622.95
Edelweiss General Insurance Company Limited	60.06	-
Edelweiss Finvest Private Limited	1,363.93	-
Edelweiss Securities And Investments Private Limited	53.19	-
Margin placed with		
Edelweiss Securities Limited	1,639.22	7,113.36
Edelweiss Custodial Services Limited	97,977.41	20,721.13
Edel Investments Limited	8.65	-
Margin refund received from		
Edelweiss Securities Limited	1,701.29	7,114.13
Edelweiss Custodial Services Limited	96,961.89	22,096.92
Edel Investments Limited	8.65	-
Security Deposits placed with		
Edelweiss Rural and Corporate Services Limited	500.00	-
ECap Equities Limited	100.00	-
Amount paid to broker for trading in cash segment		
Edelweiss Securities Limited	39,107.96	23,632.51
Amount received from broker for trading in cash segment		
Edelweiss Securities Limited	40,016.08	24,341.93
Assignment of loan book from		
Edelweiss Housing Finance Limited	-	4,481.59
Loan / NCD Purchase from		
Edelweiss Finvest Private Limited	17,780.12	-
Edelweiss Rural and Corporate Services Limited	152.38	-
Loan / NCD Sale to		
Edelweiss Retail Finance Limited	3,999.43	-
Purchase of securities receipts from		
Edelweiss Finvest Private Limited	-	1,833.30
S. L. of a social and a second state of		
Sale of securities receipts to Edelweiss Asset Reconstruction Company Limited	269.20	_
Edelweiss Asset Acconstruction Company Limited	207.20	
Sale of loans to		1 700 00
Edelweiss Asset Reconstruction Company Limited - SC 348	-	1,700.00 3,850.00
Edelweiss Asset Reconstruction Company Limited - SC 298 Edelweiss Asset Reconstruction Company Limited - SC 342		3,850.00 278.60
Edelweiss Asset Reconstruction Company Limited - SC 342 Edelweiss Asset Reconstruction Company Limited - SC 372	299.70	278.00
Edelwriss Asset Reconstruction Company Limited - SC 372	550.00	-
Reconstruction Company Limited - SC 384	9,150.00	•
Edelweiss Asserteconstruction Company Limited - SC 386	1,180.00	-
Edelweiss Asset Reconstruction Company Limited - SC 387	878.80	-
Library Assertation Company Limited - SC 391	993.00	

Notes to the financial statement for the year ended March 31, 2020 $\,$

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Edelweiss Asset Reconstruction Company Limited - SC 392	1,932.50	-
Edelweiss Asset Reconstruction Company Limited - SC 393	375.00	_
Edelweiss Asset Reconstruction Company Limited - SC 394	6,366.10	- -
Eddiweiss Asset Reconstituction Company Limited - 50 354	0,300.10	
Income		
Arranger fees received from		17.20
Edelweiss Finvest Private Limited	-	17.36
Commission and brokerage received from		
Edelweiss Securities Limited	23.65	-
Edelweiss General Insurance Company Limited	0.43	-
Edelweiss Alternative Asset Advisors Limited	58.33	-
Cost reimbursement received from		
Edelweiss Financial Services Limited	-	0.09
Edelweiss General Insurance Company Limited	0.16	0.03
Edelweiss Retail Finance Limited	0.41	0.14
Edelweiss Housing Finance Limited	-	3.44
Edelweiss Global Wealth Management Limited	0.09	=
Edelweiss Broking Limited	0.68	-
Edelweiss Asset Management Limited	0.78	-
EC Commodity Limited	0.01	-
Edelweiss Custodial Services Limited	0.02	-
Edelweiss Finance and Investments Limited	11.73	-
Edelweiss Finvest Private Limited	0.05	-
Dividend received on investments		
Edelweiss Rural and Corporate Services Limited	0.70	0.70
Interest income on margin placed with brokers		
Edelweiss Custodial Services Limited	127,28	18.81
Edelweiss Securities Limited	4.57	14.58
Interest income on Security Deposits		
Edelweiss Rural and Corporate Services Limited	1.99	_
ECap Equities Limited	0.40	-
Interest income on loans given to		
Ravi R Bubna HUF	_	8.15
Evyavan Mercantile Private Limited	_	27.56
Evyavan Global Private Limited		4.96
Deepak Mittal	3.65	31.94
Pooja Mittal	2.91	28.74
Aparna T. Chadrashekhar		1,22
Edelweiss Rural and Corporate Services Limited	262.13	9.94
Interest received on securities		
Edelweiss Housing Finance Limited	0.21	6.95
Edelweiss Rural and Corporate Services Limited	J. 2.	15.37
Edelweiss Asset Reconstruction Company Limited	66.09	15.57
Edelweiss Finvest Private Limited	1.67	_
Edelweiss Retail Finance Limited	1.02	-
Rent received from		
Alternative Investment Market Advisors Private Limited		0.01
	-	0.01
EC Commodity Limited	- I	
Edel Investments Limited	-	0.01
Edelcap Securities Limited	200	0.01
s Alternative Asset Advisors Limited Limited Edelweis Countries Services Limited	3.95	3.41
Edelmore Survines Convines Limited	5.03	0.55 0.10
Edelweis Att mess Services Limited	- 1(S) - 1X - 13)) 1	0.10

Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Edelweiss Rural and Corporate Services Limited	0.11	0.80
Edelweiss Custodial Services Limited		2.29
Edelweiss Finance and Investments Limited	_	0.03
Edelweiss Financial Services Limited	1.45	0.94
Edelweiss Finvest Private Limited	_	0.53
Edelweiss General Insurance Company Limited	22.48	14.35
Edelweiss Global Wealth Management Limited	1.09	1.34
Edelweiss Housing Finance Limited	8.71	11.54
Edelweiss Retail Finance Limited	_	0.53
Edelweiss Securities Limited	-	1.28
ECap Equities Limited	-	0.56
Edelweiss Tokio Life Insurance Company Limited	0.83	3.03
Edelweiss Comtrade Limited	0.60	-
Edelweiss Asset Management Limited	0.80	-
Edel Land Limited	0.04	
Expense		
Advisory fees paid to		
Edelweiss Asset Reconstruction Company Limited	576.85	26.72
Edelweiss Housing Finance Limited	74.69	169.49
Corporate guarantee support fee paid to		
Edelweiss Financial Services Limited	0.06	3.21
Clearing charges paid to		
Edelweiss Custodial Services Limited	17.02	0.23
Edelweiss Rural and Corporate Services Limited	18.76	-
Edelweiss Securities Limited	-	18.12
Collateral management fees paid		
Edelweiss Agri Value Chain Limited	-	16.67
Commission and brokerage paid to		
Edelweiss Global Wealth Management Limited	157.99	334.74
Edelweiss Investment Advisors Limited	1.52	2.70
Edelweiss Securities Limited	233.03	155.47
Edel Investments Limited	-	0.02
Edelweiss Broking Limited	0.93	-
Edelweiss Financial Services Limited	5.00	•
Cost reimbursement paid to		
ECap Equities Limited	6.10	2.20
Edelweiss Agri Value Chain Limited	-	0.66
Edelweiss Asset Management Limited	•	0.99
Edelweiss Broking Limited	_	3.54
Edelweiss Business Services Limited	_	0.0
Edelweiss Rural and Corporate Services Limited	19.93	13.10
Edelweiss Financial Services Limited	68.69	33.60
Edelweiss Global Wealth Management Limited	-	0.1
Edelweiss Housing Finance Limited	1.99	6.5
Edelweiss Retail Finance Limited	-	25.03
Edelweiss Alternative Asset Advisors Limited	32.56	0.9
Edelweiss Securities Limited	3.30	1.4:
Edelweiss Investment Advisors Limited	3.11	-
Edel Land Limited Edelweiss Custodial Services Limited	0.23	-
Edelweiss Custodiai Services Limited		
Chings Social responsibility expenses paid to	(Sundo)	
Edelor Foundation	166.00	122.24
1-1	(!'- <u>-!</u> <u> </u>	I

Notes to the financial statement for the year ended March 31,2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Enterprise Service charge paid to		
Edelweiss Business Services Limited	_	217.34
Edelweiss Rural and Corporate Services Limited	509.72	124.33
Edelweiss Financial Services Limited	193.76	-
Interest paid on loan		
Edelweiss Rural and Corporate Services Limited	22.78	1,539.93
Edelweiss Retail Finance Limited	56.93	-
Edelweiss Housing Finance Limited	14.25	-
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	107.87	184.00
Edelweiss Rural and Corporate Services Limited	0.29	-
Edelweiss Global Wealth Management Limited	12.88	-
Edelweiss Financial Services Limited	2.50	-
Rating support fees paid to		
Edelweiss Financial Services Limited	1.66	2.10
Rent paid to		
ECap Equities Limited	19.23	21.35
Edelweiss Agri Value Chain Limited	-	1.70
Edelweiss Asset Management Limited	•	4.44
Edelweiss Broking Limited	-	7.61
Edelweiss Business Services Limited	-	0.11
Edelweiss Rural and Corporate Services Limited	88.13	93.30
Edelweiss Global Wealth Management Limited	-	0.50
Edelweiss Retail Finance Limited	62.23	27.76
Edelweiss Housing Finance Limited		6.86
Edelweiss Securities Limited	0.80	4.81
Edelweiss Custodial Services Limited	0.03	-
Interest paid on bench mark linked debentures		
ECap Equities Limited	1,118.80	785.33
Edelweiss Rural and Corporate Services Limited	-	10.49
Interest paid on securities		
ECap Equities Limited	301.38	7.82
Edelweiss Finance and Investments Limited	-	0.37
Interest expenses on non-convertible debentures		
Edelweiss Rural and Corporate Services Limited	202.60	5.79
Edelweiss Finance and Investments Limited	0.14	0.04
Edelweiss Retail Finance Limited	2.84	_
ECap Equities Limited	12.94	-
Edelweiss Securities Limited	0.11	-
ESOP cost reimbursement		
Edelweiss Financial Services Limited	48.81	45.69
Remuneration paid to		
Raviprakash R. Bubna	_	33.04
Himanshu Kaji	25.00	50.00
Rashesh Shah	37.50	68.00
Deepak Mittal	36.80	9.85
Phanindranath Kakarla	21.16	-
Sitting fees paid		
Sitting tees paid Di Venkatachalam	0.48	0.44
Hill and an Mahapatra	0.44	0.30
Kunnasaga Chinniah	0.08	0.02
1511	(6) V E	1

Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Assets		
Interest accrued on loans given to		
Edelweiss Rural and Corporate Services Limited	30.52	0.49
Interest Accrued on Security Deposits		
Edelweiss Rural and Corporate Services Limited	1.99	-
ECap Equities Limited	0.40	-
Interest accrued on Margin		
Edelweiss Custodial Services Limited	-	-
Interest accrued on securities		
Edelweiss Finvest Private Limited	4.16	•
Edelweiss Housing Finance Limited	1.72	-
Edelweiss Retail Finance Limited	0.11	-
Investments in preference shares		
Edelweiss Rural and Corporate Services Limited	774.53	711.13
Margin money balance with		
Edelweiss Custodial Services Limited	486.52	1,502.04
Edelweiss Securities Limited	64.21	-
Security Deposits money balance with		
Edelweiss Rural and Corporate Services Limited	500.00	-
ECap Equities Limited	100.00	•
Loan given outstanding		
Deepak Mittal	-	342.19
Pooja Mittal		268.90
Edelweiss Rural and Corporate Services Limited Sandhya R Bubna	1,604.00	-
Non convertible debentures (securities held for trading) Edelweiss Housing Finance Limited	24.44	
Edelweiss Flousing Finance Limited	45.14	
Edelweiss Private Limited Edelweiss Retail Finance Limited	23.76	-
Trade receivables EC Commodity Limited	0.17	
ECap Equities Limited	-	0.6
Edelcap Securities Limited	_	0.13
Edelweiss Alternative Asset Advisors Limited	35.22	0.93
Edelweiss Broking Limited	-	0.0
Edelweiss Business Services Limited	-	1.7
Edelweiss Custodial Services Limited	20.28	4.3
Edelweiss Finvest Private Limited	115.18	23.9
Edelweiss General Insurance Company Limited	13.94	9.5
Edelweiss Global Wealth Management Limited	-	0.2
Edelweiss Retail Finance Limited	- I	3.2
Edelweiss Tokio Life Insurance Company Limited	-	6.6
Edelweiss Rural and Corporate Services Limited Edel Investments Limited	0.13	0.6 0.8
Edelweiss Agri Value Chain Limited	0.13	3.7
Edelweiss Asset Management Limited	<u> </u>	0.4
Edelweiss Finance and Investments Limited	15.55	0.2
Edelweiss Housing Finance Limited		6.6
It was Investment Advisors Limited	090000	0.3
Ederwise Accurities Limited	288.80	3.1
EFSL Treating Limited	(Q(N B) - 1	0.0
delweise Diptrade Limited	0.12	0.2

Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Purchase of property, plant and equipment		
Edelweiss Securities Limited	0.55	0.19
Edelweiss Finance and Investments Limited	0.04	-
Edelweiss Retail Finance Limited	0.18	1.16
Edelweiss Housing Finance Limited	0.73	0.26
Edelcap Securities Limited	-	0.01
Edelweiss Agri Value Chain Limited	-	0.03
Edelweiss Asset Management Limited	0.01	0.01
Edelweiss Broking Limited	0.46	0.44
Edelweiss Capital Markets Limited		0.03
Edelweiss Custodial Services Limited	0.03	0.10
Edelweiss Financial Services Limited	0.07	-
Edelweiss Global Wealth Management Limited	0.01	0.02
Edelweiss Insurance Brokers Limited	- 1	0.01
Edelweiss Investment Advisors Limited	0.04	0.04
Edelweiss Rural and Corporate Services Limited	3.31	0.20
EFSL Comtrade Limited	-	0.02
Edelweiss Alternative Asset Advisors Limited	0.01	4 44
Edelweiss Asset Reconstruction Company Limited	0.04	0.01
Edelweiss Comtrade Limited	0.64	- 0.04
Edelweiss Finvest Private Limited	- 0.00	0.04
Edelweiss Gallagher Insurance Brokers Limited	0.02	-
Sale of property, plant and equipment		
ECap Equities Limited	_	0.01
Edelweiss Alternative Asset Advisors Limited	0.03	0.04
Edelweiss Asset Reconstruction Company Limited	0.06	0.02
Edelweiss Broking Limited	0.27	0.80
Edelweiss Custodial Services Limited	0.05	0.11
Edelweiss Financial Services Limited	0.04	0.05
Edelweiss Finvest Private Limited	0.60	0.19
Edelweiss General Insurance Company Limited	0.05	0.05
Edelweiss Housing Finance Limited	0.25	0.15
Edelweiss Rural and Corporate Services Limited	0.62	0.30
Edelweiss Securities Limited	0.07	0.13
Evyavan Global Private Limited	_	1.71
Edelcap Securities Limited	0.04	-
Edel Investments Limited	0.01	-
Edelweiss Gallagher Insurance Brokers Limited	0.03	_
Edelweiss Global Wealth Management Limited	0.02	-
Edelweiss Retail Finance Limited	0.04	•
Liabilities		
Non convertible debentures held by		
Edelweiss Rural and Corporate Services Limited	2,557.50	475.52
Edelweiss Finance and Investments Limited	2,331.30	2.44
Edelweiss Friance and investments Eminted Edelweiss Tokio Life Insurance Company Limited		0.1
Edelweiss Tokio Ene insurance Company Emitted Edelweiss Retail Finance Limited	210.00	0.1
ECap Equities Limited	240.68	-
• •		
Interest accrued on borrowings		
Edelweiss Rural and Corporate Services Limited	-	3.40
Edelweiss Retail Finance Limited Edelweiss Housing Finance Limited	13.51 1 11.90	_
Parimons Mousing I mainer chillien	11.90	_
Interest accrued but not due on non convertible debentures		
Edelweiss Retail Finance Limited	19.35	-
Edelucion France and Investments Limited		0.0
Edel Corporate Services Limited	203.79	42.38
Esap Equities Living	22.17	-

Notes to the financial statement for the year ended March 31, 2020

49. Related Party Disclosure for the year April 1, 2019 to March 31, 2020

B) Transactions with related parties:

Particulars	As at March 31, 2020	As at March 31, 2019
Market linked debentured held by		
ECap Equities Limited	267.90	111.84
Interest accrued but not due on market linked debentures held by		
ECap Equities Limited	74.04	1.90
Ecap Equities Emitted	74.04	1.50
Short term borrowings		
Edelweiss Rural and Corporate Services Limited	5.91	1,010.91
Edelweiss Retail Finance Limited	35.00	
Edelweiss Housing Finance Limited	00.01	-
Trade payables		
ECap Equities Limited	12.89	5.32
Edel Finance Company Limited	0.21	-
Edelweiss Alternative Asset Advisors Limited	-	204.59
Edelweiss Asset Management Limited	0.18	2.62
Edelweiss Rural and Corporate Services Limited	51.84	171.98
Edelweiss Finvest Private Limited	- 1	17.35
Edelweiss Global Wealth Management Limited	40.03	76.59
Edelweiss Housing Finance Limited	9.94	6.25
Edelweiss Retail Finance Limited	6.54	14.69
Edelweiss Securities Limited	-	355.61
Edelweiss Custodial Services Limited	_	0.58
Edelweiss Asset Reconstruction Company Limited	232.77	0.31
Edelweiss Financial Services Limited	69.57	53.33
Edelweiss Broking Limited	0.91	1.68
Edelweiss Investment Advisors Limited	-	1.05
Edelweiss Tokio Life Insurance Company Limited	0.19	-
Corporate guarantee taken from		
Edelweiss Financial Services Limited	3,600.00	54.00

Notes

- 1. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity which is provided for group of employees on an overall basis. These are included on cash basis.
- 2. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. 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.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

50. 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.

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 liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on
- 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

Regulatory capital

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India. updated with changes suggested in circular Number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Funds		
Net owned funds (Tier I capital)	20,648.17	39,738.10
Tier II capital	20,648.17	13,931.88
Total capital funds	41,296.34	53,669.98
Total risk weighted assets/ exposures	1,96,485.28	2,78,471.26
% of capital funds to risk weighted assets/exposures:		
Tier I capital	10.51%	14.27%
Tier II capital	10.51%	5.00%
Total capital Funds	21.02%	19.27%

No changes have been made to the objectives, policies and processes from the previous year. However, they are under constant review by the Board.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

51. 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 4.11 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, 2020	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments Exchange-traded derivatives	415.55	207.76	-	623.31
OTC derivatives Embedded derivatives in market-linked debentures	-	85.65 -	80.41	85.65 80.41
Total derivative financial instruments - A	415.55	293.41	80.41	789.37
Financial Assets held for trading				
Government debt securities	7,462.92	-		7,462.92
Other debt securities	-	162.49	-	162.49
Mutual fund units	5,973.66	-	-	5,973.66
Equity instruments	12.28	<u> </u>	<u> </u>	12.28
Total Financial assets held for trading - B	13,448.86	162.49		13,611.35
Investments				
Security receipts	-	•	44,124.98	44,124.98
Units of AIF	-	-	4,894.42	4,894.42
Total investments measured at fair value - C		-	49,019.40	49,019.40
Total (A+B+C)	13,864.41	455.90	49,099.81	63,420.12
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	321.37	486.61	-	807.98
OTC de ivatives	-	162.84	-	162.84
Endether ivatives in market-linked debentures		-	36.28	36.28
	321.37	649.45	36.28	1,007.10
E Mun 12	<u> </u>			

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

51. Fair Value measurement:

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments Exchange-traded derivatives	218.36			218.36
OTC derivatives	210.30	136.59	-	136.59
Embedded derivatives in market-linked debentures	-	-	28.77	28.77
Total derivative financial instruments - A	218.36	136.59	28.77	383.72
Financial assets held for trading				
Government debt securities	13,873.50	-	-	13,873.50
Other debt securities	-	298.18	-	298.18
Mutual fund units	3,483.09	-	-	3,483.09
Equity instruments	724.60	-	-	724.60
Total financial assets held for trading - B	18,081.19	298.18	•	18,379.37
Investments				
Security receipts	-	-	9,899.83	9,899.83
Units of AIF	-	-	139.84	139.84
Total investments measured at fair value - C			10,039.67	10,039.67
Total (A+B+C)	18,299.55	434.77	10,068.44	28,802.76
Liabilities measured at fair value on a recurring basis			_	-
Derivative financial instruments				
Exchange-traded derivatives	35.12	_	-	35.12
OTC derivatives	-	183.22	-	183.22
Embedded derivatives in market-linked debentures	-	-	279.25	279.25
	35.12	183.22	279.25	497.59

D. Valuation techniques:

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification.

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. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not activity traded Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

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

Equity instruments and units of mutual fund:

The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level.

AIF Fund

In AIF funds are measured based on their published net asset value (NAV), taking into account redemption and/or other unents are classified as Level 3

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

51. Fair Value measurement:

Interest rate swaps:

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate, the fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of reporting period and the credit risk inherent in the contract, company classify the Interest rate swaps as level 2 instruments.

Embedded derivative:

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers, company classify these embedded derivative as level 3 instruments.

Exchange traded derivatives:

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1

E. There have been no transfers between levels during the year ended March 31, 2020 and March 31, 2019.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

51. Fair Value measurement:

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 2020	Security receipts	Units of AIF	Total
Investments - at April 1, 2019	9,899.83	139.84	10,039.67
Purchase	39,417.90	4,785.20	44,203.10
Sale/Redemption proceeds	(1,097.73)	(30.38)	(1,128.11)
Profit for the year recognised in profit or loss	(4,095.02)	(0.24)	(4,095.26)
Investments - at March 31, 2020	44,124.98	4,894.42	49,019.40
Unrealised gain/(Loss) related to balances held at the end of the year	(3,540.03)	(20.34)	(3,560.37)
Financial year ended March 2019	Security receipts	Units of AIF	Total
Investments - at April 1, 2018	6,371.65	195.35	6,567.00
Purchase	14,084.24	-	14,084.24
Sale/Redemption proceeds	(10,883.09)	(61.60)	(10,944.69)
Profit for the year recognised in profit or loss	327.03	6.09	333.12
Investments - at March 31, 2019	9,899.83	139.84	10,039.67
Unrealised gain/(Loss) related to balances held at the end of the year	625.58	(5.36)	620.22

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements

	Embedded Options			
Financial year ended March 2020	Assets	Liabilities	Net Balance	
As at April 1, 2019	28.77	279.25	(250.48)	
Issuances	74.58	5.73	68.85	
Settlements	(23.52)	(65.17)	41.65	
Changes in fair value recognised in profit or loss	0.58	(183.53)	184.11	
As at March 31, 2020	80.41	36.28	44.13	

	E	mbedded Options	ptions			
Financial year ended March 2019	Assets	Assets Liabilities				
As at April 1, 2018	93.94	223.89	(129.95)			
Issuances	•	-	-			
Settlements	(19.73)	(37.59)	17.86			
Changes in fair value recognised in profit or loss	(45.44)	92.95	(138.39)			
As at March 31, 2019	28.77	279.25	(250.48)			





Note to the financial statement for the year ended March 31, 2020

FUL Finance Limited

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, Units of AIF Fund and Real Estate Fund. 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 2020	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	44,124.98	Discounted Cash flow. The present value of expected future economic benefits to be	Expected future cash flows	80,579.67	5% increase in Expected future Cash flow	1,912.16	5% Decrease in Expected future Cash flow	(1,887.99)
. ,		derived from the ownership of the underlying investments of the Trust.	Risk-adjusted discount rate	12,00%	0.5% increase in Risk- adjusted discount rate	(183.90)	0.5% Decrease in Risk-adjusted discount rate	190.97
Units of AIF	4,894.42	Net Asset approach	Fair value of underlying investments	5,779.93	5% Increase in Fair value of Underlying Investment	244.70	5% Increase in Fair value of Underlying Investment	(244.70)
Embedded derivatives (net)	-44.13	Fair value using Black Scholes model or Monte Carlo approach based on the embedded	Nifty level	8,597.75	5% increase in Nifty Index curve	1.13	5% Decrease in Nifty Index curve	(0.91)
		derivative	Risk-adjusted discount rate	4.50% to 6%	1% increase in Risk- adjusted discount rate	0.45	1% Decrease in Risk- adjusted discount rate	(0.41)
Type of Financial Instruments	Fair value of asset as on 31 March 2019	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
		Discounted Cash flow. The present value of			50/ in annual in Francis 1		60/ D	
Security receipts	9,899.83	expected future economic benefits to be	Expected future cash flows	24,648.16	5% increase in Expected future Cash flow	227.35	5% Decrease in Expected future Cash flow	(227.35)
Security receipts	9,899.83		Expected future cash flows Risk-adjusted discount rate	24,648.16 12.00%			Expected future Cash	(227.35) 25.43
Security receipts Units of AIF	9,899.83 139.84	expected future economic benefits to be derived from the ownership of the underlying	•		future Cash flow 0.5% increase in Risk-		Expected future Cash flow 0.5% Decrease in Risk-adjusted discount	, ,
, ,	139.84 250.48	expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Risk-adjusted discount rate Fair value of underlying	12,00%	future Cash flow 0.5% increase in Risk- adjusted discount rate 5% Increase in Fair value	(25.04)	Expected future Cash flow 0.5% Decrease in Risk-adjusted discount rate 5% Increase in Fair value of Underlying	25.43

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

51. Fair Value measurement:

H. Fair value of financial instruments not measured at fair value:

the table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2020 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

			Fair value			
As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total	
Financial Assets						
Loans	1,28,184.40	-	-	1,31,280.13	1,31,280.13	
Financial Liabilities						
Debt securities	88,633.71	-	90,806.78	-	90,806.78	
Borrowings (other than debt securities)	93,177.45	-	•	93,177.45	93,177.45	
Subordinated Liabilities	19,789.28	-	19,607.05	-	19,607.05	
Off balance-sheet items						
Undrawn commitments	15,637.40	-	-	15,881.35	15,881.35	

			Fair value			
As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total	
Financial Assets						
Loans	2,37,966.74	-	-	2,34,774.97	2,34,774.97	
Financial Liabilities						
Debt securities	94,871.85		98,521.28	_	98,521.28	
Borrowings (other than debt securities)	1,13,287.45	-	· -	1,13,287.45	1,13,287.45	
Subordinated Liabilities	19,994.59	-	19,136.62	•	19,136.62	
Off balance-sheet items						
Undrawn commitments	31,481.63	-	-	31,259.82	31,259.82	

I. 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.

Financial assets at amortised cost

The fair values 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.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52. Risk Management

52.A Introduction and risk profile

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

The Company believes that effective risk management requires:

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

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

52.B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our 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.

52.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. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

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

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

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. 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 the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52. Risk Management

52.D Types of Risks

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

Notes	Risks	Arising from	Measurement, monitoring and management of risk
52.D.1	Credit risk Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities: and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
52.D.2	Liquidity risk Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio, Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company
52.D.3	Market risk Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.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 Trade receivables and Loans. The Company has adopted 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.

Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

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:

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

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:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) 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;
- 3) 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-





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.1 Credit Risk

Significant increase in credit risk (SICR)

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

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.

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. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. 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 for 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.

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:

EAD = Drawn Credit Line + Credit Conversion Factor * 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

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. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, 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 process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.1 Credit Risk

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 Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. 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.

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, keeping in mind that though 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.

The significant economic parameters scenarios used are as follows:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labour productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Company has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past 5 years.

Overview of modified and forborne loans:

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Amortised costs of financial assets modified during the year	6.51	1,116.03
Net modification loss	(0.02)	(4.55)



there were no/ previously modified financial assets for which loss allowance has changed to 12mECL measurement during the year:

Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

void excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a transfer of concentrations of credit risks are controlled and managed accordingly.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.1 Credit Risk

The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2020

Particulars	Central & State Government	Financial services	Agriculture	Manufacturin g industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	18,128.42	-	-	-	_	_	18,128.42
Bank balances other than cash and cash equivalents	-	7,505.14	-	-	-	-	-	7,505.14
Derivative financial instruments	-	789.37	-	-	-	_	-	789.37
Securities held for trading	7,462.91	6,136.16	_	12.28	-	-	-	13,611.35
Trade receivables	-	2,041.16	-	-		-	-	2,041.16
Loans	-	3,774.15	470.04	8,625.55	56,325.15	10,403.44	48,586.07	1,28,184.40
Investments	-	16,394.73	_	-	33,352.97	_	-	49,747.70
Other financial assets	-	3,181.39	-	-	-	-	-	3,181.39
	7,462.91	57,950.52	470.04	8,637.83	89,678.12	10,403.44	48,586.07	2,23,188.93

As at March 31, 2019

Particulars	Central & State Government	Financial services	Agriculture	Manufacturin g industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	985.40	_	-	-	-	_	985.40
Bank balances other than cash and cash equivalents	-	470.24	-	-		-	-	470.24
Derivative financial instruments	-	383.30	-	-	_	-	-	383.30
Securities held for trading	13,873.48	4,496.66		9.23	-	=	-	18,379.37
Trade receivables	-	720.99	_	-	-	-	-	720.99
Loans	-	9,918.96	5,247.50	18,321.96	1,06,644.51	14,645.18	83,188.63	2,37,966.74
Investments	_	10,039.67	711.13	· -	-	-	-	10,750.80
Other financial assets	-	1,716.85	-	-	-	247.87	-	1,964.72
	13,873,48	28,732.07	5,958,63	18,331,19	1.06.644.51	14.893.05	83,188,63	2.71.621.56





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

HILLYHO Credit Risk (Contd.)

lateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk		
	As at March 31, 2020	As at March 31, 2019	Principal type of collateral
Financial Assets			
Cash and cash equivalents	18,128.42	985.40	
Bank balances other than cash and cash equivalents	7,505.14	470.24	
Derivative financial instruments	789.37	383.30	
Securities held for trading	13,611.35	18,379.37	The Company invest in Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Trade receivables	2,041.16	720.99	These are receivables mainly from Clearing houses, Group. Carrying minimum risk.
Loans	•		
Corporate credit	86,843.64	1,49,405.54	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.
Retail credit	49,473.56	94,679.89	Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.
Investments	49,747.70	10,750.80	
Other financial assets	3,181.39	1,964.72	
	2,31,321.73	2,77,740.25	
Loan Commitments	15,637.40	31,481.63	Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.1 Credit Risk (Contd.)

Collateral and other credit enhancements

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

Maximum exposure to credit risk as at March 31, 2020

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	4,888.87	641.09	4,247.78	9,713.54
Retail Credit	239.60	53.29	186.31	289.43
Trade Receivables	11.47	11.47	-	-
	5,139.94	705.85	4,434.09	10,002,97

Maximum exposure to credit risk as at March 31, 2019

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	5,201.43	3,252,45	1,948.98	2,352.68
Retail Credit	486.12	106.27	379.85	492.82
Trade Receivables	4.81	4.81	-	-
	5,692.36	3,363.53	2,328.83	2,845.50





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.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.

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.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% of the borrowings is sought to be maintained through such assets. 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. Funding is raised through diversified sources including Banks, Public and Private issue of Debt, Commercial paper, ECB, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at	As at
	March 31, 2020	March 31, 2019
Liquidity cushion		
Government Debt Securities	7,462.92	13,873.50
Mutual Fund Investments	5,973.66	3,483.09
Total Liquidity cushion	13,436.58	17,356.59

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at	As at
	March 31, 2020	March 31, 2019
Committed Lines from Banks	3,319.62	1,732.63

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2020

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	9,128.42	6,000.00	3,000.00	-	-	18,128.42
Bank balances other than cash and cash equivalents	-	300.35	7,073.11	131.69	-	7,505.15
Derivative financial instruments	-	708.96	0.17	80.24		789.37
Securities held for trading	-	8,976.88	4,634.46	-	-	13,611.34
Trade receivables	-	1,602.65	438.50	-	-	2,041.15
Loans	-	18,573.77	34,778.59	1,10,643.81	15,690.08	1,79,686.25
Investments	-	-	1,000.00	49,078.10	-	50,078.10
Other financial assets	550.81	2,000.79	-	-	629.79	3,181.39
Total undiscounted financial assets	9,679.23	38,163.40	50,924.83	1,59,933.84	16,319.87	2,75,021.17
Financial Liabilities						
Derivative financial instruments	-	934.32	0.32	20.71	-	955.35
Trade payables	-	1,503.42	-	-	-	1,503.42
Debt securities	-	4,416.20	27,489.35	63,230.01	22,311.74	1,17,447.30
Borrowings (other than debt securities)	-	20,520.05	39,489.65	41,485.14	-	1,01,494.84
Secondinated Liabilities	-	5,351.66	1,279.37	7,817.01	12,413.68	26,861.72
Other in accial liabilities	-	909.77	835.04	2,477.44	-	4,222.25
Total und Intel financial liabilities	-	33,635.42	69,093.73	1,15,030.31	34,725.42	2,52,484.88
Total net see trial assets / (liabilities)	9,679.23	4,527.98	(18,168.90)	44,903.53	(18,405.55)	22,536.29



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.2 Liquidity Risk

Notes:

The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 14,166.77 million as at March 31, 2020 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket. Subsequent to March 31, 2020, lenders have rolled over the short term cash credit facility amounting to Rs. 8,000 million into long term working capital demand loan.

Additionally, subsequent to balance sheet date, the Company has, as part of its ALCO activities, with a focus on raising long term funds approached bankers for raising funds through LTRO and PCG schemes offered by the Reserve Bank of India as part of COVID-19 package. Till date, the Company has raised Rs. 6,750 million through LTRO scheme and Rs. 1,250 million through PCG scheme.

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	985.40	-	-	-	-	985.40
Bank balances other than cash and cash equivalents	-	110.56	196.69	206.24	-	513.49
Derivative financial instruments	-	383.29	-	-	_	383.29
Securities held for trading	2,093.45	-	16,285.90	-	-	18,379.35
Trade receivables	-	721.02	-	-	-	721.02
Loans	-	25,180.86	41,111.33	2,18,043.39	44,272.64	3,28,608.22
Investments	-	-	-	11,039.65	· -	11,039.65
Other financial assets	1,625.80	-	-	148.04	190.88	1,964.72
Total undiscounted financial assets	4,704.65	26,395.73	57,593.92	2,29,437.32	44,463.52	3,62,595.14
Financial Liabilities						
Derivative financial instruments	-	476.84	-	-	_	476.84
Trade payables	-	2,961.80	451.50	-	_	3,413.30
Debt securities	-	8,673.86	22,485.11	66,450.11	24,475.48	1,22,084.56
Borrowings (other than debt securities)	2,093.45	10,316.02	49,003.73	66,392.80	1,182.49	1,28,988.49
Subordinated Liabilities	-	376.02	907.25	12,000.82	12,167.50	25,451.59
Other financial liabilities	673.67	2,151.71	-	750.24	· -	3,575.62
Total undiscounted financial liabilities	2,767.12	24,956.25	72,847.59	1,45,593.97	37,825.47	2,83,990.40
Total net financial assets / (liabilities)	1,937.53	1,439.48	(15,253.67)	83,843.35	6,638.05	78,604.74

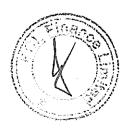
Notes

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities

Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs, wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche I of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.2 Liquidity Risk

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2020

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines Estimated amount of contracts capital	-	-	15,637.40	-	-	15,637.40
account	-	-	10.18	-	-	10.18
	-		15,647.58		-	15,647.58
As at March 31, 2019						
Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines Estimated amount of contracts capital	-	-	31,481.63	-	-	31,481.63
account	-	-	33.00	-	-	33.00
	_		31,514.63	-	-	31,514.63

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

Will Maket Risk

Market visk is he risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices a property of the company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All

Market risk exposure

	As a	it March 31, 2	020	As a	it March 31, 2	019	
Particulars	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	Primary risk Sensitivity
Financial Assets							
Cash and cash equivalents	18,128.42	-	18,128.42	985.40	_	985.40	
Bank balances other than cash and cash equivalents	7,505.14		7,505.14	470.24		470.24	Interest rate risk
Derivative financial instruments	789.37	708.96	80.41	383.30	354.53	28.77	Price risk , Interest rate risk
Securities held for trading	13,611.35	13,611.35	-	18,379.37	18,379.37	-	Price risk, Interest rate risk
Trade receivables	2,041.16	-	2,041.16	720.99	-	720.99	
Loans	1,28,184.40	•	1,28,184.40	2,37,966.74	-	2,37,966.74	Interest rate risk
investments	49,747.70	-	49,747.70	10,750.80		10,750.80	Interest rate risk
Other financial assets	3,181.39	-	3,181.39	1,964.72	-	1,964.72	Interest rate risk
Total Assets	2,23,188.93	14,320.31	2,08,868.62	2,71,621.56	18,733.90	2,52,887.66	
Financial Liabilities							
Derivative financial instruments	955.35	919.07	36.28	476.83	197.58	279.25	Price risk, Interest rate
Trade payables	1,503.41	-	1,503.41	3,413.31	=	3,413.31	
Debt securities	88,633.71	_	88,633.71	94,871.85	-	94,871.85	Interest rate risk
Sorrowings (other than debt securities)	93,177.45	-	93,177.45	1,13,287.45		1,13,287.45	Interest rate risk
Subordinated Liabilities	19,789.28	-	19,789.28	19,994.59	-	19,994.59	Interest rate risk
Other financial liabilities	4,222.25	253.51	3,968.74	3,575.60	673.72	2,901.88	Price risk
Γotal Liabilities	2,08,281.45	1,172.58	2,07,108.87	2,35,619.63	871.30	2,34,748.33	

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.3 Market Risk (Contd.)

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

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

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. 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 at 31 March 2020 and at 31 March 2019

Interest rate sensitivity

As at March 31, 2020

	Increase in	Sensitivity of	Sensitivity of	Decrease in	Sensitivity of	Sensitivity of
	basis points	Profit	Equity	basis points	Profit	Equity
Bank Borrowings	25	(151.58)	_	25	151.58	-
Interest Rate Swaps	25	7.50	_	25	(7.50)	_
Floating rate loans	25	51.06	_	25	(51.06)	_
Government securities	25	(18.66)	-	25	18.66	-
Corporate debt securities	25	(0.41)	_	25	0.41	_

As at March 31, 2019

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(267.97)	_	25	267.97	-
Interest Rate Swaps	25	21.88	-	25	(21.88)	_
Floating rate loans	25	70.39	_	25	(70.39)	_
Government securities	25	(34.68)	-	25	34.68	_
Corporate debt securities	25	(0.75)	-	25	0.75	_

Price risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in prices of financial instruments.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

52.D.3 Market Risk (Contd.)

As at March 31, 2020

	Increase in	Sensitivity of S	lensitivity of	Decrease in	Sensitivity of	Sensitivity of
	price (%)	Profit	Equity	price (%)	Profit	Equity
Derivative instruments	5	(102.37)	-	5	102.37	_
Equity instruments	5	0.61	_	5	(0.61)	_
Interest rate futures	5	(63.57)	_	5	63.57	
Mutual fund units	5	298.68	-	5	(298.68)	-

As at March 31, 2019

	Increase in	Sensitivity of S	Sensitivity of	Decrease in	Sensitivity of	Sensitivity of
	price (%)	Profit	Equity	price (%)	Profit	Equity
Derivative instruments	5	(55.47)	-	5	55.47	_
Equity instruments	5	2.50	_	5	(2.50)	_
Interest rate futures	5	(34.10)	-	5	34.10	_
Mutual fund units	5	174.15	_	5	(174.15)	-

52.D.4 Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by Rs. 245.44 million (previous year Rs. 695.61 million)





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

54.A Capital:

Capital to risk assets ratio (CRAR)	Capital	o risk a	ssets ratio	(CRAR)
-------------------------------------	---------	----------	-------------	--------

	As at March 31, 2020	As at March 31, 2019
CRAR (%)	21.02%	19.27%
CRAR - Tier I capital (%)	10.51%	14.27%
CRAR - Tier II Capital (%)	10.51%	5.00%
_		

Perpetual Debt

	As at and for year ended		
	March 31, 2020	March 31, 2019	
Amount raised by issue of perpetual debt instruments	-	-	
Perpetual debt outstanding including Interest	3,273.05	3,272.82	
Percentage of Perpetual debt to Tier I Capital;	14.53%	7.55%	

Subordinated debt

	As at and for year ended	
	March 31, 2020	March 31, 2019
Amount of subordinated debt raised as Tier-II capital	-	_

54.B Investments

	As at March 31, 2020	As at March 31, 2019
() Value of Investment		
Gross value of investments		
In India	53,579.74	10,419.42
Outside India	-	-
Provisions for depreciation / appreciation		
In India	(3,832.04)	331.38
Outside India	- 1	-
Net value of investments		
In India	49,747.70	10,750,80
Outside India	-	-,

Please refer note no. 15.B for more details on investments

II) Movement of provisions held towards depreciation/appreciation on investments.

For the year ended March 31, 2020	For the year ended March 31, 2019
(331.38)	(501.67)
4,389.31	234.42
(225.89)	(64.13)
3,832.04	(331.38)
	March 31, 2020 (331.38) 4,389.31 (225.89)



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

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54.C Derivatives

I) Forward rate agreement / interest rate swap	As at March 31, 2020	As at March 31, 2019
The notional principal of swap agreements	12,000.00	16,250.00
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	85.65	136.59
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	100.00%	100.00%
The fair value of the swap book	(77.19)	(46.63)
* % of concentration of credit risk arising from swaps with banks	As at	As at
	March 31, 2020	March 31, 2019
II) Exchange traded interest rate (IR) derivatives		
Notional principal amount of exchange traded IR derivatives undertaken during the year	1,73,409.80	99,666.60
Notional principal amount of exchange traded IR derivatives		
outstanding	1,247.20	695.40
	1,247.20	695.40

III) Disclosures on risk exposure in derivatives

Qualitative disclosure

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

Quantitative disclosure

	As at March 31, 2020		As at March 31, 2019	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)				
For hedging	-	13,247.20	_	16,945.40
Marked to market positions				
Assets (+)		85.65	-	136.59
Liability (-)	-	(162.84)	-	(183.22)
Credit exposure	-	127.50	-	291.25
Unhedged exposures	-	-		-

54.D Disclosures relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

	As at March 31, 2020	As at March 31, 2019
a) No. of SPVs sponsored by the NBFC for securitisation transactions	7.00	3.00
b)		
Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	3,907.82	868.48
c) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	371.66	86.85
Off-balance sheet exposures		
- First loss	-	-
- Others		-
On-balance sheet exposures		
- First loss	371.66	86.85
- Others	-	-
d) Amount of exposures to securitisation transactions other than MRR	323.18	201.43
Off-balance sheet exposures		
Exposure to own securitisations		
- First loss	=	
- Others	-	-
Exposure to third party securitisations		
- First loss	-	
- Others	-	<u>.</u>
On-balance sheet exposures		
Exposure to own securitisations		
- First loss	323.18	201.43
- Others	-	-
cosure to third party securitisations		
S.B. sosure to third party securitisations	-	-
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Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

_	As at March 31, 2020	As at March 31, 2019
No. of accounts	47.00	12.00
Aggregate value (net of provisions) of accounts sold to SC / RC	58,269.14	6,798.94
Aggregate consideration	46,167.40	5,828.60
Additional consideration realized in respect of accounts transferred in earlier years	_	-
Aggregate gain / (loss) over net book value	(12,101.74)	(970.34)
Loss on sale to SC/RC during the year Amount received in respect of accounts transferred in prior year	(12,101.74)	(970.34) -

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

structure is given below:		
	As at March 31, 2020	As at March 31, 2019
a) No. of transactions assigned by the NBFC	11.00	5.00
b) Total amount outstanding	5,112.62	247.95
e) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	1,024.23	27.55
Off-balance sheet exposures - First loss - Others	-	, - -
On-balance sheet exposures - First loss - Others	- 1,024.23	- 27.55
d) Amount of exposures to securitisation transactions other than MRR	· <u>-</u>	-
Off-balance sheet exposures		
Exposure to own securitisations - First loss - Others	~	• -
Exposure to third party securitisations - First loss - Others	- -	<u>.</u>
On-balance sheet exposures		
Exposure to own securitisations - First loss - Others	-	- -
Exposure to third party securitisations		
The Asia Control of the Control of t	-	- //

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

Details of non-performing financials assets purchased from / sold to other NBFCs

	As at	As at
	March 31, 2020	March 31, 2019
Details of non-performing financial assets purchased		
No. of accounts purchased during the year	2.00	-
Aggregate outstanding	108.80	-
Of these, number of accounts restructured during the year	-	-
Aggregate outstanding	**	-
Details of Non-performing Financial Assets sold:		
No. of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Aggregate consideration received	₩	<u></u>

54.E Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

	Assets		Liabilities	
	Loans	Investments*	Borrowings from bank	Other borrowings
I day to 30/31 days (One month)	3,700.83	7,717.41	5,916.82	18,543.88
Over One months to 2 months	276.05	-	2,508.83	10,989.09
Over 2 months up to 3 months	6,720.39	1,259.47	5,343.07	5,976.40
Over 3 months to 6 months	10,197.62	-	7,699.90	2,559.63
Over 6 months to 1 year	23,335.59	5,421.50	25,765.79	7,919.92
Over 1 year to 3 years	55,294.62	3,988.91	28,466.27	21,351.73
Over 3 years to 5 years	19,412.29	45,089.19	3,464.33	15,778.90
Over 5 years	16,685.58	1,162.00	-	39,315.88
	1,35,622.97	64,638.48	79,165.01	1,22,435.43

^{*}Investments also include securities held for trading and Investment in property

The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 14,166.77 million as at March 31, 2020 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket. Subsequent to March 31, 2020, lenders have rolled over the short term cash credit facility amounting to Rs. 8,000 million into long term working capital demand loan.

Additionally, subsequent to balance sheet date, the Company has, as part of its ALCO activities, with a focus on raising long term funds approached bankers for raising funds through LTRO and PCG schemes offered by the Reserve Bank of India as part of COVID-19 package. Till date, the Company has raised Rs. 6,750 million through LTRO scheme and Rs. 1,250 million through PCG scheme.





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

Maturity pattern of certain items of assets and liabilities as at March 31, 2019

	Assets		Liab	ilities
	Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	11,842.19	18,379.37	1,684.76	8,229.45
Over One months to 2 months	5,204.51	-	225.00	1,314.32
Over 2 months up to 3 months	4,481.72	-	6,290.42	1,465.36
Over 3 months to 6 months	8,182.28	-	5,528.90	6,318.13
Over 6 months to 1 year	19,800.63	-	36,802.55	16,185.80
Over 1 year to 3 years	1,15,658.80	-	42,455.48	45,520.75
Over 3 years to 5 years	56,322.95	10,750.80	10,300.66	16,682.84
Over 5 years	22,592.35	•	-	29,149.47
	2,44,085.43	29,130.17	1,03,287.77	1,24,866.12

^{*}Investments also include securities held for trading

The Company has conservatively considered that the Cash Credit facilities availed by it aggregating to Rs. 22,322.04 million as at March 31, 2019 will be repaid on their renewal dates and accordingly reflected the same in the 6 to 12 months maturity bucket. However, empirically the Company has been able to rollover all its cash credit facilities

Further, as on the date of signing the financial statements the Company has as part of its ALCO activities with a focus on raising long term funds has filed the Shelf Prospectus on May 6, 2019 for Non Convertible Debentures of issue size of Rs. 3,000 million

Also, the Company has augmented its long term funds by issuance of Compulsorily Convertible Debentures CCDs, wherein the Company has received an aggregate consideration of Rs. 10,395.00 million on May 7, 2019 towards Tranche 1 of the CCDs (USD 150 Million). The Company will receive USD 50 Million each in Tranche II and Tranche III in two annual instalments.

54.F Exposures

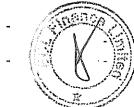
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Exposure	to	real	estate	sector

Exposure to real estate sector		
	As at	As at
	March 31, 2020	March 31, 2019
a) Direct exposure		
Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to Rs.15 lakhs may be shown separately)	6,709.23	10,400.14
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). Exposure includes non-fund based (NFB) limits.	75,494.47	1,29,577.85
Investments in mortgage backed securities (MBS) and other securitised exposures -		
- Residential	_	_
- Commercial Real Estate	40,063.81	-
b) Indirect exposure		
Fund hased and fund based exposures on National Housing Bank (NUB) and Housing Finance		/Knellon I

b)

fund based exposures on National Housing Bank (NHB) and Housing Finance



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

Exposure to capital market

	As at March 31, 2020	As at March 31, 2019
 a) 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 	1,284.12	724.60
 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 	13,461.33	44,156.81
 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. 	18,030.48	39,701.29
d) 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.	1,062.27	1,069.87
e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	1.83	4.02
f) 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	-	-
g) bridge loans to companies against expected equity flows / issues	-	-
h) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
i) others (not covered above)	5,130.54	-

54.G Details of financing of parent company products:

Details of financing of parent company products: Nil (Previous year: Nil)

54.H Details of single borrower limit and borrower group limit exceeded by the Company:

During the year ended 31 March 2020 and 31 March 2019, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

- 54.I Registration obtained from other financial sector regulators None
- **54.J** Disclosure of penalties imposed by RBI and other regulators- Rs.Nil million in respect of penalty for securities pay in shortage (Previous year Rs. NIL million)

54.K Related party transactions

All Material transactions with related parties are reflected in Note 49

54.L Details of transaction with non executive directors

Name of Director	Nature	For the year ended March 31, 2020	For the year ended March 31, 2019	
PN Venkatachalam	Sitting Fees	0.48	0.44	
*S.R. Riswamohan Mahapatra	Sitting Fees	0.44	0.30	
asagaran Chinniah	Sitting Fees	80.0	0.02	

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

54.M Provisions and contingencies

	As at March 31, 2020	As at March 31, 2019
Breakup of provisions and contingencies shown under the head other expenses in the statement of profit and loss		
Provisions for depreciation/(appreciation) on Investment	3,450.95	_
Provision towards Stage 3	(2,664.34)	686.29
Provision made towards Income tax	(117.39)	2,398.62
Provision for Stage 1/Stage 2 Assets including restructured and others	5,404.59	499.49
Other Provision and Contingencies	·	
Provision for credit loss on securitisation	2.27	(4.21)
Provision towards ECL on trade receivables	20.52	0.32

54.N Draw down from reserves

During the year ended 31 March 2020 and 31 March 2019, the Company has not drawn any reserve

54.0 Concentration of deposits, advances, exposures and stage 3 assets

	As at	As at
	March 31, 2020	March 31, 2019
Concentration of advances	1111111111	
Total Advances to twenty largest borrowers	48,489.05	55,099.91
% of Advances to twenty largest borrowers to Total Advances	35.57%	22.57%
Concentration of exposures		
Total Exposures to twenty largest borrowers / Customers	49,870.26	57,695.20
% of Exposures to twenty largest borrowers / Customers to Total Advances	36.58%	23.64%
Concentration of stage 3		
Total Exposures to top Four Stage 3 Assets	5,065.45	4,619.37

Sector-wise Stage 3 Assets

% of Stage 3 assets to Total Advances in that sector

Sectors	March 31, 2020	March 31, 2019
Agriculture & allied activities	1.45%	2.35%
MSME	0.36%	0.53%
Corporate borrowers	6.56%	7.53%
Services	0.00%	0.07%
Unsecured loans	0.00%	0.00%
Auto loans	0.00%	0.00%
Other loans	0.50%	0.29%

Other loans represents retail loans





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54. Regulatory disclosures - RBI

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54.P Movement of Stage 3 assets

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets, Stage 3 assets net of stage 3 provision net and Stage 3 provision

	As at March 31, 2020	As at March 31, 2019
Stage 3 assets net of stage 3 provision to net advances (%)	3.27%	0.97%
Movement of Stage 3 assets		
Opening balance	5,687,55	4,699.20
Additions during the year	61,189.50	7,966.93
Reductions during the year*	(61,748.58)	(6,978.58)
Closing balance	5,128.47	5,687.55
Movement of Stage 3 net of stage 3 provisions		
Opening balance	2,328.83	2,026.77
Additions during the year	59,533.60	5,885.82
Reductions during the year	(57,428.34)	(5,583.76)
Closing balance	4,434.09	2,328.83
Movement of stage 3 provisions		
(excluding provision on Stage 1/Stage 2)		
Opening Balance	3,358.72	2,672.43
Additions during the year	1,655.90	2,081.11
Reductions during the year	(4,320.24)	(1,394.82)
Closing balance	694.38	3,358.72

^{*}Includes Stage 3 assets written off during the year Rs. 3,465.88 million (Previous year: Rs 242.42 million)

54.Q Overseas assets - Nil (Previous year - nil)

54.R Off-balance sheet SPV sponsored - none (previous year - none)

54.S Customer complaints

	For the year ended March 31, 2020	For the year ended March 31, 2019
No. of complaints pending at the beginning of the year	-	
No. of complaints received during the year	369.00	148.00
No. of complaints redressed during the year	361.00	148.00
No. of complaints pending at the end of the year	8.00	_





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

Rating assigned by credit rating agencies

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions. 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

	7.5° //										
á	an March 31, 2020	CR	ISIL	ICRA Daties		CA	RE	Brickwork	5	Ac	ute
10	acat March 31, 2020	March 31, 2020 Rating Amount		Rating Amount		Rating Amount		Rating	Amount	Rating	Amount
	Long Term Instruments Short term instruments Market linked debentures	CRISIL AA-/stable CRISIL A1+ CRISIL AA-/stable	1,18,800.00 2,60,000.00	[ICRA] AA- ICRA AI+ [ICRA] AA-	1,32,862.50 1,85,000.00	CARE AA-/stable CARE A1+ CARE AA-/stable	52,629,70 2,26,866.60	BWR AA/negative,BWR AA-/negative	18,000,00	ACUITE AA- /negative	3,000.00
	Short term	CRISIL PP- MLD A1+R	12,000.00	PP-MLD ICRA Al+	9,000.00						
	Long Term	CRISIL PP- MLD AA- r/stable	24,941.50	PP-MLD [ICRA]AA-	24,116.30	CARE PP-MLD AA-/stable	5,032.80	BWR PP-MLD AA/negative	1,500.00		

	CRI	SIL	IC	RA	CA	RE	Brickwork	S	Acute		
as at March 31, 2019	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	
Long Term Instruments	CRISIL AA/ Stable	2,50,300.00	ICRA AA	3,12,862.50	CARE AA	1,73,465.20	BWR AA+, BWR AA	18,000.00	ACUITE AA + /Stable	4,500.00	
Short term instruments	CRISIL A1+	1,50,000.00	ICRA A1+	1,55,000.00	CARE A1+	1,00,000.00					
Market linked debentures											
Short term	CRISIL PP- MLD A1+R	12,000.00	PP-MLD ICRA AI+	9,000.00							
Long Term	CRISIL PP- MLD AAr/ Stable	25,250.00	PP-MLD ICRA AA	24,116.30	CARE PP-MLD AA	5,286.30	BWR PP-MLD AA+	1,500.00			

54.U Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil



(Currency Indian rupees in million) Notes to the financial statement for the year ended March 31, 2020

54.V Disclosure of Restructured Accounts

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

Disclosure of Restructured Accounts for the year ended March 31, 2020

	* <i>///</i>																						
17.2	Type of Restructuring				r CDR Meci	nanism		Under SME Debt Restructuring Mechanism					Others						Total				
	Type of Restructuring 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		-	-	-	-	-	-		-	-		2.00	11.00		-	13.00	2.00	11,00		-	13.00	
	2019 (Opening figures)	Amount outstanding	-	•	-	-	-		-		-	-	65.95	1.049.95	_	-	1,115.90	65.95	1,049,95	-		1,115.90	
		Provision thereon		-	-	-		-	-		-	-	9.13	594.24	-	<u></u>	603.37	9,13	594.24	- 1	-	603.37	
			-	-	-	•		-	-	-	-		-	-		-	-		-				
2	Fresh restructuring during the year	No. of borrowers			-	•			-	-	-	-	-	6.00	-	-	6.00	-	6,00	-	- 1	6.00	
		Amount outstanding		•	-	-				-		-	l .	6.51	,	-	6.51		6.51		-	6.51	
		Provision thereon		-	-	-		-		-		-		0.94	-	-	0.94	-	0.94	-	-	0.94	
<u></u>			•		-	-		-	-	-			-	-	-	-	-	_	-	-	•	-	
3	Upgradations of restructured accounts		-	-	-	-		-	-	•		-	-	(4.00)		-	(4.00).	-	(4.00)	-	-	(4,00)	
	to Standard category*	Amount outstanding	-		-	-	-	-		-	-	-	-	(1.043.57)	_		(1,043,57)	-	(1,043.57)	-	-	(1.043.57)	
		Provision thereon	<u> </u>	-	•	-	-	-		-	-		<u> </u>	(590.68)	-	-	(590.68)		(590.68)	-	-	(590.68)	
			-		- 1	-		-		-	-		-	-		-	-	-	-		- 1		
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next	No. of borrowers			-	-		•	-	-	,	-		_	,	i	•	_	-	_	-		
		Amount outstanding			-	-	-	-		-	-		_			-	•		-		-		
	financial year**	Provision thereon	-	-	-		-		-		-	_		_	-		-	4	_	-		_	
<u> </u>		1	-			-		-		-	-		-	-		-	-		-	-	-	-	
5	Downgradations of restructured	No. of borrowers	-		-	-	-			-							-	-	-	-	-	-	
	accounts during the year	Amount outstanding	-	-	_		-	-	-	-			-	-	-	-	-	-	-		-		
ऻ—		Provision thereon	-	-		-	-		-	-	-	-		-	-	-	-	-	-	-	-	-	
H-			-		-	-			-	. •	-		ļ. <u> </u>				-		-	-		-	
6	Write-offs of restructured accounts	No. of borrowers	-	•	-			-	-	-	-	-		(5.00)	-	-	(5.00)	-	(5.00)	-		(5.00)	
	during the year	Amount outstanding	-		-	-		-	-		-	-		(3.87)	-	-	(3.87)		(3.87)	-	-	(3.87)	
		Provision thereon	-	-	-	-	-			-		-		(3.18)	-	-	(3.18)		(3.18)	-		(3.18)	
			-	-		-			-	-	-			-		-	-		-	-			
7	Restructured accounts as on 31st	No. of borrowers	-		-			-	-	-		-	2.00	8.00	-	-	10.00	2.00	8.00	-	-	10,00	
	Mar, 2020 (Closing figures)	Amount outstanding	-			-	-	-	-	-	•	-	65.95	9.02	-	-	74,97	65.95	9.02		-	74,97	
L	-	Provision thereon	-	-	-	-	•	-		-	-	•	9.13	1.32	-	-	10.45	9.13	1,32	-	-	10.45	
			-	-		•		-	-	-			-	-		-	-	-	-	- 1	-	-	

Note:



^{*}includes recovery made during the year from the Sub-standard restructure accounts.

^{**}includes recovery made during the year from the standard restructure accounts.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54.V 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)

Disclosure of Restructured Accounts for the year ended March 31, 2019

1115	Type of Restructuring			Under CDR Mechanism					Under SME Debt Restructuring Mechanism						Others		Total					
SIN	lo 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
<u> </u>	Details /						<u> </u>							3.mca q		****					$\overline{}$	
ام	Restrictured accounts as on	1st April. No. of borrower		_	-	-	-	-	-	•	-	-	-	3.00	-		3.00		3.00			3.00
٥	Restrictured accounts as on	Amount outstand	ing -	-		-		-	-	-	-	-	-	1.93		_	1.93		1.93		-	1.93
		Provision thereo	1 -	-	-	-	-	-		-	•	-		1.61	-	_	1.61	-	1,61			1,61
			1 -		-	l -			-	-	-		-		_		, ,,,,		1.01			1.0
2	Fresh restructuring during th	year No. of borrower	<u> </u>	-		-	-	-	-		-		1.00	12.00	1 .		13.00	1.00	12.00			13.00
		Amount outstand	ing -			-	-	-	-		-		2.97	1,113.06	-		1,116.03	2,97	1.113.06			1,116.03
		Provision thereo	ı -		- "	-	-	-		-		-	1.79	601.58			603,37	1.79	601.58			603.37
			-		-	-		-		-				-	-		003,31	1.,,	001.50		 	003.31
3	Upgradations of restructured	accounts No. of borrower.	-	-	-		-		-	-	-	-	1.00	(1.00)	1 .			1.00	(1.00)			
	to Standard category*	Amount outstand	ing -	-	-	-		-	-	-	-		62.98	(63.55)			(0.57)	62.98	(63,55)			(0.57
		Provision thereo	-	-	-	-	-	_	-	-		-	7,34	(7.34)			(0.07)	7.34	(7.34)			(0.57
		1111111	_	-	_	-		-	-	_	_			(7.51)			-	7.24	(7.54)			
4	to attract higher provisioning additional risk weight at the	Restructured advances which ceases o attract higher provisioning and/ or additional risk weight at the end of the inancial year and hence need not be	_	-		-	-	_	_	-	-	•	-	(2.00)		_	(2.00)	_	(2.00)	,	-	(2,00
	shown as restructured standa advances at the beginning of financial year**	rd Amount outstand	ing	_	•	_			-		-	-	-	(0.55)	•	_	(0.55)	-	(0,55)	_		(0.55
	insarcia year	Provision thereon	-	_		-			-	-	-		_	(0.71)	-		(0.71)	_	(0,71)			(0.71
	D 1.1.	1 17 21	-	-		-		-	-	<u> </u>	-		-	-	- 1	-		-		-		
5	Downgradations of restructu accounts during the year	***************************************		-	-	-	-		-		-	•	-		-		-	-	-	-	-	
	accounts during the year	Amount outstand		-	-	-		-	-	•	-	-	-	-	-	_ :	-	-	-	-	-	-
		Provision thereor	-	-	-		-	-		-	•	-	-	-		-	-	-	-	-	-	-
			-	-	<u> </u>	-		-	-	-			-	-		-		- 1	-	-		-
6	Write-offs of restructured ac			-		-	-		<u> </u>	-	-	-		(1.00)	-	-	(1.00)	-	(1.00)	•		(1.00
	during the year	Amount outstand		-			-		-	-		-		(0.94)	-	-	(0.94)	_	(0.94)	-	-	(0.94
		Provision thereor	-	<u> </u>		-		-	-	- 1	-		-	(0.90)		-	(0.90)		(0.90)	-	-	(0.90
					-	-		-	-	_	-		-		-	-		-	-	-	-1	
7	Restructured accounts as on	1101 01 001011011		ļ	-	-	-			-		-	2.00	11.00	-	-	13.00	2.00	11.00		-	13.00
	Mar, 2019 (Closing figures)	Amount outstand		-		-	-	-	-	-	-	-	65.95	1,049.95	-	-	1,115.90	65.95	1,049.95	- 1		1,115,90
		Provision thereor	-	-	-	-	-		-	-	-	-	9.13	594.24		-	603.37	9.13	594.24	-	_	603.37
	1		`	_	-	-		-		_	_											

Note:



^{*}includes recovery made during the year from the Sub-standard restructure accounts.

^{**}includes recovery made during the year from the standard restructure accounts.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54.W Schedule to the Balance Sheet

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

	As at March 31, 2020		As at March 31, 2019	
	Amount	Amount	Amount	Amount
	outstanding	Overdue	outstanding	Overdue
 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: 				
 a) Debentures (other than those falling within the meaning of Public deposit) 				
i) Secured	76,213.00	_	88,339.09	_
ii) Unsecured	19,931.22	-	20,900.75	- -
b) Deferred Credits	-	-	-	_
c) Term Loans (Bank and Other parties)	62,872.62	•	84,954.07	-
d) Inter-corporate loans and borrowing	-	-		-
e) Commercial Paper	1,236.33	-	5,626.60	-
f) Public Deposits	-	-	_	-
g) Other Loans (specify nature)				
i) Working Capital Demand Loan	8,309.04	-	2,900.00	-
ii) Bank Overdraft	14,166.77	-	22,322.04	•
iii) CBLO Borrowings	7,752.70	-	2,097.03	-
iv) Loan from related parties	76.32	-	1,014.31	-

	Amount Outstanding	
	As at	As at
	March 31, 2020	March 31, 2019
2. Break up of Loans and Advances including bills receivables		
i) Secured ii) Unsecured	1,16,575.75 19,741.45	2,18,759.95 25,325.48
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	NA	NA
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 	-	-
4. Break up of Investments (including securities held for trading) a) Current Investment - Quoted i) Shares		
Equity Preference Shares	12.28	724.60
ii) Debentures and Bonds iii) Units of Mutual Funds iv) Government Securities v) Others	162.49 5,973.66 7,462.92	298.18 3,483.09 13,873.50
a) Current Investment - Unquoted i) Shares	-	-
Equity Preference Shares	-	-
	-	•
of Mutual Funds	0.43	0.43
iv) of the ment Securities	0.43	0.43
E v) 01811	_	_



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54.W Schedule to the Balance Sheet

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

	Amount Outstanding		
	As at	As at	
	March 31, 2020	March 31, 2019	
4. Break up of Investments (including securities held for trading) (Contd.)			
a) Long term Investment - Quoted			
i) Shares			
Equity	_	_	
Preference Shares	_	_	
ii) Debentures and Bonds	_		
iii) Units of Mutual Funds		_	
iv) Government Securities	-	_	
v) Others	-	-	
a) Long term investment - Unquoted			
i) Shares			
Equity		_	
Preference Shares	728.30	711.13	
ii) Debentures and Bonds	_	_	
iii) Units of Mutual Funds			
iv) Government Securities			
v) Others			
- Investments in security receipts of trusts	44,124.98	9,899.83	
- Investment in Units of AIF	4,893.99	139.41	

5. Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2020

	Amo	Amount net of provisions		
	Secured	Unsecured	Total	
a) Related Parties				
Subsidiaries	_	_	-	
Companies in the same group	-	1,633.65	1,633.0	
b) Other than related parties	1,09,869.30	16,681.45	1,26,550.	

Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2019

Ame	Amount net of provisions		
Secured	Unsecured	Total	
_	-	_	
-	-	-	
2,12,998.72	24,968.02	2,37,966.74	
	Secured - -	Secured Unsecured	

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

	As at M	arch 31, 2020	As at Mare	ch 31, 2019
	Market Value Fair Value	Book Value (Net of provision)	Market Value/ Fair Value	Book Value (Net of provision)
a) Related Parties Subsidiaries Companies in the same group Other related parties	821.6	53 821.63	711.13	- 711.13
Other related parties	62,537.4	62,537.42	28,419.04	28,419.04

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

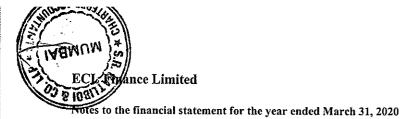
54.W Schedule to the Balance Sheet

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

	Amount Outstanding		
	As at As		
	March 31, 2020	March 31, 2019	
7. Other Information			
a) Stage 3 assets			
i) Related Parties	_	_	
ii) Other than related parties	5,128.47	5,687.55	
b) Stage 3 assets net of stage 3 provision			
i) Related Parties	_		
ii) Other than related parties	4,434.09	2,328.83	
c) Assets acquired in satisfaction of debt	-	_	







(Currency:Indian rupees in million)

54.X Prudential Floor for ECL

As required in terms of paragraph 2 of circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - Non-Banking Financial Company - Implementation of Indian Accounting Standards.

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
A	В	С	D	E = C - D	F	G = D - F
Performing Assets						
Standard	Stage 1 Stage 2	84,955.30 46,233.43	1,550.02 5,888.40	83,405.28 40,345.03	339.82 201.54	1,210.20 5,686.86
Total Performing Assets		1,31,188.73	7,438.42	1,23,750.31	541.36	6,897.06
Non Performing Assets (NPA)						
Substandard	Stage 3	4,942.66	675.78	4,266.88	494.27	181.51
Doubtful - up to 1 year 1 to 3 years	Stage 3 Stage 3	176.59	17.68	158.91	35.32	-17.64
More than 3 years Total Doubtful	Stage 3	9.22	0.92	8.30	4.61	-3.69
Loss Assets	Stage 3	-	•	-	-	-
Total Non Performing Assets (NPA)		5,128.47	694.38	4,434.09	534.20	160.18
Other items such as guarantees, loan commitments, etc.which are in the scope of Ind AS 109 but not covered under IRACP	Stage 1 Stage 2 Stage 3	- - -	- - -	<u>-</u> - -	- - -	-
Subtotal		-	-	-	-	-
Total	Stage 1 Stage 2 Stage 3	84,955.30 46,233.43 5,128.47	1,550.02 5,888.40 694.38	83,405.28 40,345.03 4,434.09	339.82 201.54 534.20	1,210.20 5,686.86 160.18
Total Loan Book		1,36,317.20	8,132.80	1,28,184.40	1,075.56	7,057.24



Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54.Y 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, 2020
Number of significant counterparties*	20.00
Amount of borrowings from significant counterparties	1,30,851.94
% of Total deposits	NA
% of Total liabilities**	62.66%

^{* &}quot;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'

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.

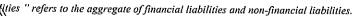
c) Top 10 Borrowings

	As at March 31, 2020
Amount of Borrowings from top 10 lenders	1,00,205.57
% of Total Borrowings	49.71%

d) Funding Concentration based on significant instrument/product*

	As at March 31, 2020		
	Amount	% of Total Liabilities**	
Debentures			
Non Convertible	96,144.22	46.04%	
Compulsory Convertible	11,040.56	5.29%	
Bank Borrowings			
Term Loans	62,872.61	30.11%	
Cash Credit Lines	14,118.27	6.76%	
Working Capital Demand Loan	8,309.04	3.98%	
Other Borrowings			
TriParty Repo	7,752.70	3.71%	

^{* &}quot;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 borrowings





^{** &}quot;Total liabilities" refers to the aggregate of financial liabilities and non-financial liabilities.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54.Y 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.

e) Stock Ratios

	As at
	March 31, 2020
Commercial papers as a % of total public funds	0.61%
Commercial papers as a % of total liabilities	0.59%
Commercial papers as a % of total assets	0.53%
Non-convertible debentures as a % of total public funds	NA
Non-convertible debentures as a % of total liabilities	NA
Non-convertible debentures as a % of total assets	NA
Other short-term liabilities, if any as a % of total public funds*	15.03%
Other short-term liabilities, if any as a % of total liabilities**	14.51%
Other short-term liabilities, if any as a % of total assets	12.97%

^{*&}quot;Total public funds" refers to the aggregate of Debt securities, borrowings other than debt securities and subordinated liabilities.

f) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia

Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any

Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;

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

Ensure that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly.

Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% of the borrowings is sought to be maintained through such assets. 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



^{** &}quot;Total liabilities" refers to the aggregate of financial liabilities and non-financial liabilities.

Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

54.Z Covid-19 pandemic

The Covid-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activity. The Indian Government too has imposed lockdowns starting from March 24, 2020. The Indian economy would be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on the Company's results, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels

In accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020 and April 17, 2020 the Company has granted a moratorium of 3 months and extended the same for a further period of 3 months in accordance with the announcement by the RBI on May 22, 2020 for the payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. In respect of accounts overdue but standard as at February 29, 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Company, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. Based on the assessment of the Company, in the absence of other credit risk indicators, the granting of the moratorium does not itself result in accounts becoming past due and triggering Stage 2 and Stage 3 classification criteria.

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 stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC, Company's lenders to seek/extend moratorium and various other financial support from other banks, agencies and its parent entity 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. The Company would continue to focus on maintaining adequate capital and ensuring liquidity during current period and for the period going forward.

In assessing the recoverability of loans, receivables, intangible assets. 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 statements. the Company has also considered the impact of COVID -19 pandemic while estimating the recoverability during the year ended March 31, 2020. Since the situation is rapidly evolving, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

a) Disclosure on moratorium

As required pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 SMA/overdue categories, where the moratorium/deferment was extended

As at March 31, 2020

Respective amounts in SMA/overdue categories, where the moratorium / deferment was extended,

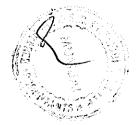
9,433.52

Respective amount where asset classification benefits is extended.

332.01

Provisions made during the Q4FY2020

16.60





Notes to the financial statement for the year ended March 31, 2020

(Currency:Indian rupees in million)

55. Other Disclosures

55.A Initial Disclosure under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 on Large corporates

Particulars	Details
Name of the Company	ECL Finance Limited
CIN	U65990MH2005PLC154854
Outstanding borrowing of company as on 31st March 2020	Rs. 200,776.86 millions
Highest Credit Rating During the previous FY along name of the Credit Rating Agency	CRISIL AA/ Stable, ICRA AA, BWR AA+, ACUITE AA + /Stable
Name of 5tock Exchange# in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

we confirm that we are a large Corporate as per the applicability criteria given under the SEBI circular SEBI / HO/ DDHS / CIR/ P / 2018 /144 dated November 26, 2018.

55.B Details of incremental borrowings during the year ended March 31, 2020

Particulars Particulars	Details
Incremental borrowing done in FY (a)	17,967.50
Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	4,491.88
Actual borrowings done through debt securities in FY (c)	7,967.50
Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c) {If the calculated value is zero or negative, write "nil"}	Nil
Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

55.C The Company has a process whereby periodically all long term contracts (including derivative 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 (including derivative contracts) has been made in the books of accounts.

55.D There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020.

The accompanying notes are an integral part of the financial statements As per our report of even date attached.

For S. R. Batliboi & Co. LLP

Chartered Accountants

CAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors

Deepak Mittal

Managing Director & CEO

DIN: 00010337,

Sarju Simaria Chief Financial officer Vidya Shah Executive Director DIN: 00274831

Archibold Serrao Company Secretary

Mumbai July 4, 2020

Mumbai July 4, 2020