

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

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

**Sub: Submission of Annual Report for FY 2021-22 along with the Notice of AGM.**

Please find enclosed Annual Report of the Company for the financial year 2021-22 ("Annual Report") along with the Notice of the 14th AGM ("Notice"). Further, the aforesaid Annual Report along with Notice has also been uploaded on the website of the Company at [www.edelweisshousingfin.com](http://www.edelweisshousingfin.com).

Kindly take the same on record.

Thanking you.

Yours faithfully,

**For Edelweiss Housing Finance Limited**



**Girish Manik**  
Company Secretary



**Edelweiss Housing Finance Limited**

**Corporate Identity Number: U65922MH2008PLC182906**

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**Financial Statement for the year ended March 31, 2022**

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

**Details as on May 6, 2022**

**Board of Directors**

Mr. Biswamohan Mahapatra	- Independent Director
Mr. Deepak Mittal	- Non- Executive Director
Mr. Gautam Chatterjee	- Independent Director
Mr. Phanindranath Kakarla	- Non- Executive Director
Mr. Rajat Avasthi	- Managing Director & CEO
Mr. Sunil Phatarphekar	- Independent Director
Ms. Shilpa Gattani	- Non- Executive Director

**Chief Financial Officer**

Mr. Tushar Kotecha

**Company Secretary**

Mr. Girish Manik

**Statutory Auditors**

M/s. NGS & Co. LLP

**Registered Office**

Tower 3, Wing ' B,  
Kohinoor City Mall , Kohinoor City, Kirol Road,  
Kurla (west), Mumbai - 400070  
Corporate Identity No.: U65922MH2008PLC182906  
Tel: +91 22 4272 2200  
Email: [CS.CBG@edelweisshousingfin.com](mailto:CS.CBG@edelweisshousingfin.com)

**Registrar & Transfer Agent**

**Link Intime India Private Limited**

C- 101 1st Floor 247 Park  
L.B.S. Marg, Vikhroli (West)  
Mumbai 400083 Maharashtra, India  
Tel: +91 22 4918 6200;  
Fax: +91 22 4918 6195

**Kfin Technologies Limited**

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032  
Tel: +91 40 6716 222; Fax: +91 40 2300 1153

## BOARD'S REPORT

To the Members of Edelweiss Housing Finance Limited,

The Directors hereby present their 14<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2022 (year under review):

### Financial Highlights

	(₹ in million)	
Particulars	2021-2022	2020-2021
<b>Total Income</b>	5,139.10	5,510.54
Total Expenditure	4,937.28	5,591.26
<b>Profit before tax</b>	<b>201.82</b>	<b>(80.72)</b>
Tax Expense (including Deferred Tax)	63.75	(118.01)
<b>Profit after tax</b>	<b>138.07</b>	<b>37.29</b>
Add: Profit and Loss account balance brought forward from previous year	1,936.62	1,879.01
Other comprehensive income for the year	0.09	(2.21)
<b>Profit available for appropriation</b>	<b>2,074.78</b>	<b>1,914.09</b>
Appropriations		
- Transfer to special reserve under Section 29C of the National Housing Bank Act, 1987	(27.62)	(7.46)
- Transfer from Debenture redemption reserve	85.07	127.93
- Reversal of ESOPs charges or cancellation	10.28	-
- Deferred Tax Liability on opening balance of special reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961	-	(97.94)
<b>Surplus carried to Balance Sheet</b>	<b>2,142.51</b>	<b>1,936.62</b>
<b>Networth (net of intangibles and deferred tax asset)</b>	<b>7776.32</b>	<b>7627.88</b>

### Results from operations and Information on the state of affairs of the Company

During the year ended March 31, 2022, the Company earned revenues of ₹ 5,139.10 million as against ₹ 5,510.54 million in the previous year and the Profit after tax for the year ended March 31, 2022 stood at ₹ 138.07 million as compared to a profit after tax of ₹ 37.29 million in the previous year.

Of the total income earned during the year, income from fees and commission stood at ₹ 580.70 million and income from lending activities stood at ₹ 4,453.13 million.

During the year under review, the loan sanctions (in-principal approvals) and the loan disbursements were ₹ 17,124.86 million and ₹ 15,776.38 million respectively. Cumulatively, loan approvals (including in-principal approvals) and disbursements as at March 31, 2022 were ₹ 198,680.60 million and ₹ 161,272.73 million, respectively.

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Registered Office : Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirod Road, Kurla (W), Mumbai - 400070 ©+91 22 4272 2200

✉ homeservice@edelweissfin.com @ www.edelweisshousingfin.com

During the year under review, there has been no change in nature of business of the Company.

### **Transfer to Reserves:**

Out of profit for the year, ₹ 27.62 million has been transferred to special reserve under Section 29C of the National Housing Bank Act, 1987.

### **Transfer from Reserve**

The Company has transferred ₹ 85.07 million from Debenture redemption reserve to retained earnings on account of redemption of debentures till March 31, 2022. Further pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Housing Finance Companies registered with National Housing Bank.

### **Dividend:**

The Board of Directors did not recommend any dividend for the financial year under review.

### **Share Capital:**

As at March 31, 2022, Authorised Share Capital and Paid up Share capital of the Company stands at ₹ 750 million and ₹ 693.5 million respectively. During the year under review, there was no change in the Authorised Share Capital and Paid-up Share Capital of the Company.

### **Transfer of Shares**

During the year, no share transfer requests were received by the Board of Directors.

### **Depository**

As on 31st March 2022, out of the Company's total equity paid-up share capital comprising of 69,350,000 Equity Shares, 69,349,994 Equity Shares representing 99.99% of paid up equity capital were held in dematerialised mode.

### **Credit Ratings**

The credit ratings enjoyed by the Company from various rating agencies as on 31st March 2022 are detailed in the Corporate Governance Report enclosed herewith as **Annexure I**.

### **Finance & Resource Mobilisation**

Your Company continued to borrow funds from Banks and various financial institutions in line with the Asset-Liability Management requirements.

During the year under review, the Company did not raise funds by way of Private Placement of Non- Convertible Debentures. The Company filed its Prospectus on March 29, 2022 for Public Issue of Non -Convertible Secured Debentures of face value ₹ 1,000 each, amounting to ₹ 150 crore with an option to retain over-subscription up to ₹ 150 crore aggregating up to ₹ 300 crore. Further, the Company has borrowing lines from Banks/ FIs which were available for

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the liquidity requirements of the Company. Apart from these, the Company assigned retail pool of mortgage assets amounting to ₹ 789 Crores.

In terms of para 15 of the Housing Finance Companies issuance of non-convertible Debentures on private placement basis (NHB) Directions, 2014, the total number of non-convertible debentures which have not been claimed by the investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption were Nil, and the total amount in respect of such debentures remained unclaimed or unpaid beyond the date referred hereinbefore was Nil/-.

### **Change in credit rating:**

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

### **Subsidiaries, Joint Ventures and Associate Company:**

Your Company does not have any Subsidiary or Associate Company, nor has it entered into any Joint Venture Agreement.

### **Loans, Investments and Guarantees**

The Company is engaged in the business of providing loans and making investments as part of treasury activities, particulars of which are provided in the Notes to Financial Statements. Except as disclosed in the financial statements, during the year under review, the Company has not given any guarantee.

### **Updates post March 31, 2022**

The Company successfully completed the Public Issue of Non - Convertible Secured Debentures which closed on April 26, 2022 and the Company raised ₹ 2,75.90 crores. The proceeds of the issue will be used for the purpose of onward lending, financing, for repayment/ prepayment of interest and principal of existing borrowings of our Company and for general corporate purposes.

The impact of COVID 19 pandemic is as more particularly covered in the Management Discussion & Analysis and the notes to financial statements.

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

Except as disclosed in the notes to accounts, if any, 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, 2022) and the date of this report.

### **Annual Return**

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

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## **Management Discussion and Analysis Report**

Management discussion and analysis report for the year under review as stipulated under Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated May 6, 2022 is enclosed as **Annexure II**.

## **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 of Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligation and Disclosure) Regulations 2015 (and forming part of this report is provided in the financial statement and also annexed as **Annexure III** (Form AOC-2). All the Related Party Transactions as required under Ind AS-24 are reported in the Notes to the financial statement.

The Company has formulated Related Party Transactions Policy. The Policy is uploaded on <https://www.edelweishousingfin.com> and is also annexed as **Annexure IV**.

## **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 submitted declarations that each of them meet the criteria of independence as provided in the said section. Based on the same, the Board confirms that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and that they are independent of the management.

Further, in the opinion of the Board, all existing Independent Directors including the Independent Directors appointed during the year under review meets the standards of the Company with regard to integrity, expertise and experience (including proficiency). Further, their name have been included in the data bank created by Indian Institute of Corporate Affairs in terms of the Companies (Appointment and Qualification of Directors) Fifth amendment Rules, 2019 dated October 22, 2019.

Mr. P.N. Venkatachalam (DIN - 00499442) completed his term as Independent Director with effect from June 17, 2021. Mr. Gautam Chatterjee (DIN: 02464197) was appointed as an Additional Director w.e.f. September 16, 2021 and the said appointment was regularized in the Extra Ordinary General Meeting held on November 3, 2021. Accordingly, Mr. Gautam Chatterjee shall hold office as an Independent Director till the conclusion of the Annual General Meeting of the Company to be held in the year 2024.

### **ii) Non-Independent Directors**

#### **a. Non-executive Director**

The Board of the Company has 3 (three) Non-Executive Directors as on the date of this report.

**b. Executive Director**

Mr. Rajat Avasthi (DIN - 07969623), is the Managing Director & Chief Executive Officer of the Company with effect from October 25, 2018.

**c. Director retiring by rotation**

Ms. Shilpa Gattani (DIN: 05124763 ) retires by rotation at the ensuing Annual General meeting (AGM) and, being eligible, offers herself for re-appointment.

**d. Key Managerial Personnel**

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

Sr. No	Name of the KMP	Nature of Change	Effective Date
1.	Mr. Manish Dhanuka	Resigned as Chief Financial Officer (CFO)	August 31, 2021
2.	Ms. Riddhi Parekh	Resigned as Company Secretary	October 29, 2021
3.	Mr. Vinay Tripathi	Appointed as Company Secretary	December 16, 2021
4.	Mr. Tushar Kotecha	Appointed as Chief Financial Officer (CFO)	January 28, 2022
5.	Mr. Vinay Tripathi	Resigned as Company Secretary	January 31, 2022
6.	Mr. Girish Manik	Appointed as Company Secretary	February 1, 2022

**Number of Board Meetings held**

During the year ended March 31, 2022, the Board met 6 (six) times on June 4, 2021, June 28, 2021, August 4, 2021, October 27, 2021, December 16, 2021 and January 28, 2022.

The constitution and the changes in the constitution of the Board during the year under review is detailed in the Corporate Governance Report.

**Remuneration Policy:**

The Company has formulated a Remuneration Policy as per the provisions of Section 178 of the Companies Act, 2013. During the year under review, there were no changes or amendments to the remuneration policy of the Company. The Policy is provided as **Annexure V** to this Report and is also placed on the website of the Company viz. <https://www.edelweisshousingfin.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, 2022.

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 its functions, etc.

### **Internal Control Systems and their adequacy**

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

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

- COSO framework is implemented by considering the control environment, periodic risk assessment, performing control activity, timely communication to management and monitoring the control activities on a continuous basis.
- Assurance on process efficiency by defining relevant, adequate scope of internal audit, proactively preparing for regulatory review, remediating through preventive and corrective steps for identified risk events.
- Reliability of internal controls aligned to risks identified in Risk Control Self-Assessment (RCSA) is monitored through process and internal financial control review.
- Adequate documentation in the form of policies and SOPs (Standard Operating Procedures) enhances the control mechanism.

### **Internal Financial Controls**

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

Further details relating to the Company’s internal control systems and internal financial controls and their adequacy are covered in the Management Discussion and Analysis.

## **Risk Management**

Risk management is an integral part of the Company's business strategy. The Risk Management Committee oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel.

The constitution and the changes in the constitution of the Risk Management Committee during the year under review is provided in the Corporate Governance Report.

The Company adopts a conservative and forward-looking risk management practices while lending. The risk management framework ensures that the Company underwrites to prudent risk standards, focuses on its target segment and delivers sustainable profitability. The senior management is responsible for ensuring that appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Company, with due support and guidance from the risk management team. The Company leverages analytics to design relevant application-level scorecards and also ensures dashboards for effective dynamic portfolio monitoring.

Mr. Ajeet Lodha is the Chief Risk Officer (CRO) of the Company with effect from June 1, 2020 who is entrusted with such duties and responsibilities as prescribed by the sectoral regulator including under NHB Policy Circular no. 95 /2018-19 and RBI Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 as applicable to Housing Finance Companies (HFCs).

## **Audit Committee**

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), the Board of Directors of the Company has constituted the Audit Committee. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2022, the Audit Committee met 4 (Four) times on June 4, 2021, August 4, 2021, October 27, 2021, and January 28, 2022. The constitution and the changes in the constitution of the Audit Committee during the year under is provided in Corporate Governance Report.

## **Nomination and Remuneration Committee (NRC)**

In accordance with the provisions of Section 178 of the Act, the Board of Directors of the Company have constituted the Nomination and Remuneration Committee. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2021, the Nomination and Remuneration Committee met 2 (Two) times on June 4, 2021, and June 28, 2021.

The constitution and the changes in the constitution of the NRC during the year review is provided in the Corporate Governance Report.

### **Corporate Social Responsibility Committee (CSR Committee)**

In accordance with the provisions of Section 135 of the Act, the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (“the CSR Committee”). The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year under review, the CSR Committee met once on May 21, 2021.

The constitution and the changes in the constitution of the CSR Committee during the year under review is provided in the Corporate Governance Report.

The CSR Policy of the Company is uploaded on the website i.e. <https://www.edelweishousingfin.com> During the year under review, the CSR Policy was amended/adopted to align the same in accordance with the amendments to the provisions of the Companies Act, 2013 and Rules made thereunder. Further, report on the CSR activities for the FY 2021-22 is annexed as **Annexure VI**.

### **Stakeholders Relationship Committee (SRC)**

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’). The Stakeholder Relationship Committee considers and resolves the grievances of security holders, customers of the Company and other incidental and ancillary matters related thereto. During the year under review, the SRC Committee met once on May 21, 2021.

The constitution and the changes in the constitution of the SRC Committee during the FY 2021-22 is provided in the Corporate Governance Report.

### **Statutory Auditors**

Pursuant to Reserve Bank of India notification RBI/2021-22/25, Ref.No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the term of the Statutory Auditors has been capped for a period of 3 (three) years. Accordingly, S.R Batliboi & Co. LLP resigned as Statutory Auditors effective October 27, 2021.

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), M/s. NGS & Co LLP, are appointed for a period of 3 (three) years effective November 3, 2021 as the Statutory Auditors of the Company to hold office till the conclusion of 15th Annual General Meeting of the Company.

### **Internal Auditors**

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

## **Secretarial Audit**

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

## **Prevention of Sexual harassment of Women at Workplace**

The Company has framed a Policy on Prevention of Sexual Harassment at workplace. There was no case reported during the year ended March 31, 2022 under the Policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

### **A. Conservation of Energy**

The operations of the Company are not energy intensive. However, adequate measures have been initiated for conservation of energy:

- i) Steps taken or impact on conservation of energy -:
  - LED fixtures with low kw rating are being used to reduce the lighting load.
  - Quarterly /Periodic maintenance of Air Conditioners 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 utilizing alternate source of energy - Though the operations of the Company are not energy intensive, the Company will endeavor to explore alternative source of energy, as and when it is technically and commercially viable.
- iii) the capital investment on energy conservation equipment - Nil

### **B. Technology Absorption**

- (i) Efforts made towards technology absorption:
  - The Company is continually working towards streamlining & optimizing the business workflows via technology absorption for most of the business functions & operations of the Company;
  - Majority of legacy applications have been, either consolidated, or decommissioned; & have been replaced with digital workflows & modern technology solutions;
  - Engineering of better technology solutions & elimination of fragmented applications, legacy applications, or applications functioning in silos; a continuous process; shall continue in-parallel; so that there are no outages & zero business continuity risks;
  - The Company is continually working towards digitization & digitalization across various business verticals;

- The Company has adopted a cloud-first approach, for all of its existing & future applications; with a keen intent of optimizing technology spends & embracing cutting-edge tech stack.
  - We operate in a highly automated environment and make use of the latest technologies to support various operations. We have in place a governance framework, information security practices and a business continuity plan to mitigate information technology-related risks. We are also guided by the Information Security Policy and Cyber Security Policy laid down by RBI Master Direction - Information Technology Framework for the NBFC Sector alongside we are also guided by an independent assurance team within Internal Audit which provides assurance on the management of information technology-related risks. In addition, employees mandatorily and periodically undergo information security training and sensitization exercises.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
- Reduction of data-loss during customer onboarding;
  - Consolidation of digital assets, storage & speedy retrieval;
  - Various product enhancements; and
  - Cost & resource optimization of ownership & upkeep of multiple applications relating to manpower, infrastructure, support and maintenance.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) Expenditure incurred on Research and Development (R&D):

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

### C. Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings or outgo during the year under review (previous year: Nil).

### Other Disclosures

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2022. 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, 2022 and the date of this 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 is in compliance with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

### Public Deposits

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

### Geographical presence

We operate through a wide network of 68 offices as of March 31, 2022 spread across 14 States and 3 Union territories. The reach of the Company's branches allows it to service its existing customers and attract new customers. The Company services multiple products through each of its offices and the Company's spread out office network reduces its reliance on any one region in India.

The geographical details are as under:

States	Branch Counts
Tamil Nadu	22
Maharashtra	12
Gujarat	11
Andhra Pradesh	7
Telangana	4
Karnataka	4
Chandigarh, Chhattisgarh, Pondicherry, Rajasthan, West Bengal, Madhya Pradesh, Delhi and Punjab	1 branch each

### Regulatory Guidelines

The Company has complied with all the provisions of Housing Finance Companies (NHB) Directions, 2010 prescribed by NHB and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 as prescribed by Reserve Bank of India as amended from time to time regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, etc. The Company has been maintaining capital adequacy as prescribed by the RBI/NHB from time to time. The capital adequacy was at a comfortable level of 28.28% as on March 31, 2022, as against 26.49% (as at March 31, 2021) stipulated by NHB/RBI.

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## **Whistle Blower Policy/Vigil Mechanism**

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

## **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, as amended, forms part of this report. Disclosures as required under Rule 5(1) of the aforesaid Rules are provided as **Annexure VIII** to this report. In terms of provisions of Section 136 of the Companies Act, 2013, any member interested in obtaining a copy of information under Rule 5(2) of the aforesaid rules, may write to the Company Secretary of the Company at the Registered Office address.

**Debenture Trustees:** The details of Debenture Trustees of the Company is provided in the Corporate Governance Report.

## **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the financial year ended on that date;
- (iii) proper and sufficient care have 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.

- (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.

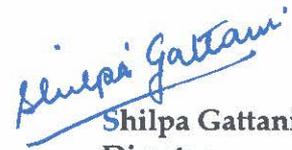
**Acknowledgments**

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

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



**Rajat Avasthi**  
MD & CEO  
DIN: 07969623



**Shilpa Gattani**  
Director  
DIN: 05124763

**Mumbai**  
**May 6, 2022**

## **Corporate Governance Report**

### **Corporate Governance Philosophy**

At Edelweiss Housing Finance Limited, we strongly uphold good governance practices to promote fairness, transparency, accountability and integrity. In line with this philosophy, Guiding Principles have been articulated and these forms integral part of Company's corporate governance practices. Processes have been designed to run the businesses responsibly and harmonize diversified interests of various stakeholders thereby enhancing stakeholder value.

The Board also believes that sound governance is critical to retain and enhance stakeholders' trust. The Company perceives governance in its widest sense almost like a trusteeship, a philosophy to be championed, a value to be cherished and an ideology to be lived.

Over the years, Edelweiss Housing Finance Limited implemented governance practices that extended beyond the letter of the law. In doing so, the Company not only adopted practices mandated in the SEBI Listing Regulations, but also incorporated the relevant non-mandatory compliances, strengthening its position as a responsible corporate citizen.

### **Governance Structure**

The Company implemented a governance structure with defined roles and responsibilities of every systemic constituent. The Company's shareholders appoint the Board of Directors, who, in turn, govern the Company. The Board has constituted various Committees to discharge responsibilities in an effective manner. The Chairman provides strategic direction and guidance to the Board.

### **The Board**

The Board of your Company represents an optimal mix of professionalism, knowledge and experience, which enables the Board to discharge responsibilities and provide effective leadership for the achievement of a long-term vision and achieve the highest governance standards. As on the date of this report, the Board comprised 7 Directors – 1 Managing Director & CEO and 3 Non-executive Directors including 3 Independent Directors.

The Board critically evaluates the Company's strategic directions, management policies and their effectiveness. The Board regularly reviews, inter-alia, the industry environment, annual business plans, performance compared with the plans, business opportunities including investments/ divestment, related party transactions, compliance processes including material legal issues, strategy, risk management and the approval of financial statements/ results. Senior executives are invited to provide additional inputs at Board meetings for the items discussed by the Board of Directors as and when required. Further, transparent, frequent and detailed interaction provides a strategic roadmap for the Company's growth.

The appointments and the tenure of Independent Directors adhere to the requirements of the Companies Act, 2013 read with Regulation 17(1A) and 25 of the SEBI Listing Regulations. The Nomination and Remuneration Committee and Board of Directors recommend the appointment/ re-appointment of Independent Directors for consideration of the shareholders.

### Directors qualifications, skills, expertise, competencies and attributes

Directors	Industry Knowledge/ Experience			Technical Skills/Experience						Behavioral Competencies	
	Financial and Capital Markets	Understanding of laws and regulations	Experience in Lending Business	Accounting and Finance	Risk Management	Strategic Management	Legal and Compliance	Information Technology	Governance	Leadership and Mentoring Skills	Interpersonal Relations
<b>Mr. Biswamohan Mahapatra</b>	*	*	*	*	*	*	*	*	*	*	*
<b>Mr. Sunil Phatarphekar</b>	*	*	*	*	*	*	*	*	*	*	*
<b>Mr. Gautam Chatterjee</b>	*	*	*	*	*	*	*	*	*	*	*
<b>Mr. Deepak Mittal</b>	*	*	*	*	*	*	*	*	*	*	*
<b>Mr. Rajat Avasthi</b>	*	*	*	*	*	*	*	*	*	*	*
<b>Mr. Phanindranath Kakarla</b>	*	*	*	*	*	*	*	*	*	*	*
<b>Ms. Shilpa Gattani</b>	*	*	*	*	*	*	*	*	*	*	*

The Company believes that it is the collective effectiveness of the Board that impacts Company performance and therefore members of the Board amongst themselves should have a balance of skills, experience and diversity of perspective suitable to the Company. Given the Company's size, scale and nature of its businesses, the Board has identified skills/ expertise/ competencies in the area of financial and capital markets, understanding of laws and regulations, experience in lending business, accounting and finance, risk management, strategic management, legal and compliance, information technology, governance, leadership and mentoring skills and interpersonal relations for the effective functioning of the Company and also possessed by the Board members. The details of the key skills/ expertise/ competencies which are necessary for effective functioning of the Company's business and operations are given in the brief profile of the Directors.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and

whether the person is a proven leader in their respective areas. The Directors so appointed are drawn from diverse backgrounds and possess special skill sets with regard to the business processes, industries, project management, finance, management, legal fields.

### **Confirmation from Independent Directors vis-à-vis management**

Based on the disclosures received from Independent Directors, the Board of Directors has confirmed that they fulfilled conditions specified in Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and were independent of the management.

### **Confirmation by Directors regarding directorship/ committee positions**

Based on the disclosures received, none of the Directors on the Board holds directorships in more than ten public companies and none of the Independent Directors serves as an Independent Director on more than seven listed entities as on 31 March 2022. Further, no Whole-time Director serves as an Independent Director in any other listed company. Necessary disclosures regarding Committee positions in other public companies as on 31 March 2022 have been made by the Directors and has been reported elsewhere in the report.

### **Compliance Initiatives**

At Edelweiss Housing Finance Limited, compliance is a way of life. Our compliance priorities fulfill continuously evolving compliance requirements that reflect our own work, changing market conditions and the non-compliance risks of our business. The Company reviewed compliance risks at regular intervals.

The Company also developed a robust, institutionalized, and integrated compliance framework to provide reasonable assurance to the management and Board about the effectiveness of its compliance management systems. The compliance management systems are in the process of automation for more effective internal control.

### **Profile of Directors**

#### **Mr. Deepak Mittal - Non Executive Director**

Mr. Deepak Mittal (DIN: 00010337) has more than two decades of experience in financial services. He heads the credit business of the group. He is presently the Vice Chairman of ECL Finance Limited. He has played several key roles at Edelweiss, one of the most recent being the CEO of Edelweiss Tokio Life Insurance Company Limited, a joint venture between the Edelweiss Financial Services Limited (“EFSL”) and Tokio Marine Holdings of Japan. Prior to leading the Life Insurance business, he helped scale up the Capital Markets business at Edelweiss Financial Services Limited. He subsequently became the Chief Financial Officer of EFSL, where he helped steer the firm through a successful Initial Public Offering in 2007. He also led the group’s new strategic initiatives and played a key role in the expansion of various Group businesses, including the acquisition and integration of Anagram Stock Broking. He is a Chemical Engineer from IITBHU and an MBA from the IIM Ahmedabad.

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### **Rajat Avasthi - Managing Director & CEO**

Mr. Rajat Avasthi (DIN: 07969623) is an MBA from University Business School, Chandigarh and has graduated in BSc. from Punjab University, Chandigarh. Mr. Rajat Avasthi has over 25 years of experience across multiple industries. He started his career with Asian Paints, where he worked for 18 years with roles in sales, corporate marketing & strategy. He also worked on building a market entry strategy for Asian Paint's entry into Indonesia. Prior to joining Edelweiss group, he was associated with Vodafone as the Business Head of their business in Punjab, Himachal Pradesh and Jammu & Kashmir. Prior to that he was head of sales and marketing for Mumbai, their biggest market.

### **Phanindranath Kakarla - Non Executive Director**

Mr. Kakarla (DIN: 02076676) is an IIM Calcutta and IIT Mumbai alumni. He has spent close to two decades in the financial services industry with comprehensive experience in Banking - Credit Risk, Distressed Debt Recovery, Finance, Operations and Relationship Management in Wholesale Lending, Corporate & Transaction Banking and Asset Management. He also has expertise in driving organizational transformation (across people, process and technology) and building and leading high performance finance / operations teams across various geographies. His past experience covers a gamut of leading banks. He has been with the Edelweiss Group for over 5 years wherein he was responsible for various roles including Head of Centralised Services Group and Head of Group HR. He is currently the COO and CFO of ECL Finance Limited.

### **Shilpa Gattani - Non Executive Director**

Ms. Shilpa Gattani (DIN: 05124763) has over 16 years of professional work experience. She has been with Edelweiss since 2005 and is instrumental in starting the fixed income desk at Edelweiss group. She has been leading this department since the last 6 years and has institutionalized the business to greater heights. Before being the head of Treasury Management business, she was Head of Resources at Edelweiss group wherein she was responsible for fund raising in the money market and Asset Liability Management. Over the period of last 10 years, she has built strong relationships with fund houses, banks and other financial institutions. Prior to this, Shilpa was company secretary of Edelweiss Financial Services Limited and was responsible for governance and secretarial functions. Shilpa is a member of Institute of Company Secretaries of India and has completed her master's in business administration.

### **Sunil Phatarphekar – Independent Director**

Mr. Sunil Phatarphekar (DIN: 00005164) is the proprietor of SNP Legal (Advocates) and has over 30 years of experience as a practicing Advocate. He started his career in 1987. He has subsequently been associated with various law firms including Crawford Bayley & Company, Mahimtura & Company, and Shah Desai Doijode & Phatarphekar, Advocates. Mr. Phatarphekar also practices in the corporate field with specialization in commercial contracts and new technologies. Mr. Phatarphekar also serves as a Non-Executive director on the Board of various companies.

### **Biswamohan Mahapatra – Independent Director**

Mr. Biswamohan Mahapatra (DIN: 06990345) is an Independent Director on our Board. He holds a Master's degree of science in management from Arthur D. Little Management Education Institute, Cambridge, Massachusetts, United States of America and a master's degree in business administration from the University of Delhi. His career spans over three decades. He retired as an executive director of the RBI on August 28, 2014. Post retirement, he was an Advisor to the RBI on the new bank licensing process. He has represented RBI at various national and international forums and chaired several RBI committees. He was also the Member Secretary to the Committee set up to introduce a financial holding company structure in India and was also involved in the formulation of Basel II and Basel III regulations. He also serves as an Independent Director on the boards of various companies and was reappointed as the Non-Executive Chairman of National Payments Corporation of India.

### **Gautam Chatterjee – Independent Director**

Mr. Gautam Chatterjee (DIN: 02464197) is a retired officer of the Indian Administrative Service of the Maharashtra Cadre belonging to the batch of 1982. He superannuated on January 31, 2016. He has held several important assignments both in the Government of Maharashtra and Government of India, notable among them being Additional Municipal Commissioner of Mumbai Municipal Corporation, Joint Director General of Foreign Trade in the Ministry of Commerce, CEO of Maharashtra Housing and Area Development Authority, CEO of Slum Rehabilitation Authority and Dharavi Redevelopment Project, Principal Secretary of Maharashtra Housing Department, Joint Secretary in the Ministry of Defence, Director General of Shipping in the Ministry of Shipping, Government of India and Additional Chief Secretary, Transport and Ports, Government of Maharashtra. After his superannuation, he served as Officer on Special Duty (OSD) to the Chief Minister of Maharashtra before taking over as the first Chairperson of the Maharashtra Real Estate Regulatory Authority (MahaRERA) where he served till January, 2021.

## Board Meetings

The Board regularly meets to deliberate and decide business policy and strategy in addition to routine and other statutory businesses. All material information is circulated to the Directors before meetings or placed at the meeting.

A tentative meetings calendar of the Board/ Committees is circulated to help them plan their schedule and ensure meaningful participation in meetings. Additional meetings are convened wherever necessary. The Company also provides video/ audio visual/ teleconferencing facilities to Directors to facilitate their participation in meetings.

Generally, meetings of the Board/ Committees are held in Mumbai. The agenda of the Board/ Committee meetings is prepared by the Company Secretary in consultation with the Chairman/ Chairman of the respective Committee(s).

During 2021-22, Board met 6 (Six) times on June 4, 2021, June 28, 2021, August 4, 2021, October 27, 2021, December 16, 2021 and January 28, 2022. The maximum interval between any two Board meetings was not more than 120 days.

The Company Secretary attends all meetings of the Board and its Committees and is, inter-alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standard and after incorporating the comments of Directors, the minutes are entered in the minutes book within 30 days of the conclusion of the respective meetings.

*Follow-up:* The Company has an effective post-meeting follow-up, review and reporting process of decisions taken by the Board. The significant decisions of the Board are promptly communicated to the concerned departments/ business units. The action taken reports on decisions of the previous meeting(s) are placed at the immediate succeeding meeting for review by the Board.



Name & Designation	Financial Year 2021-22 - Attendance at		No. of Directorships in other companies*			No. of Committee positions held in public companies including Edelweiss Housing Finance Limited**		Names of other listed entities where Director holds Directorship (excluding the Company and the category of directorship held in such other listed entity)
	Board Meeting	Last AGM	Listed	Others		Chairman	Member***	
				Public	Private			
<b>(a) Promoter/ Promoters Group</b>								
NA	-	-	-	-	-	-	-	-
<b>(b) Executive Directors</b>								
Mr. Rajat Avasthi (DIN: 07969623)	6	Yes	0	0	0			Nil
<b>(c) Non-executive Non-independent Director</b>								
Mr. Deepak Mittal (DIN: 00010337)	6	Yes	1	1	1			ECL FINANCE LIMITED#
Mr. Phanindranath Kakarla (DIN: 02076676)	6	Yes	1	1	0			EDELWEISS RETAIL FINANCE LIMITED#
Ms. Shilpa Gattani (DIN: 05124763)	6	Yes	1	1	0			EDELWEISS RETAIL FINANCE LIMITED#
<b>(d) Independent Directors</b>								
Mr. Sunil Phatarphekar (DIN: 00005164)	6	-	2	1	3			EDEL FINANCE COMPANY LIMITED# EDELWEISS RETAIL FINANCE LIMITED#
Mr. Biswamohan Mahapatra (DIN: 06990345)	5	-	4	3	0			HDFC CREDILA FINANCIAL SERVICES LIMITED# ECL FINANCE LIMITED# EDELWEISS FINANCIAL SERVICES LIMITED

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								GRUH FINANCE LIMITED
Mr. Gautam Chatterjee (DIN: 02464197)	3	-	0	0	2			NA

### Composition, Directorships and Attendance as on 31<sup>st</sup> March 2022

# Debt Listed Entity

#### Directors Induction and Familiarisation Programme

The Board members are provided with necessary information, documents, reports and internal policies to familiarise them with the Company's procedures and practices. Presentations at regular intervals are made by the senior management, covering areas like operations, business environment, budget, strategy and risks involved. Updates on relevant statutory, regulatory changes encompassing important laws/ regulations applicable to the Company are circulated to Directors.

Upon appointment, Independent Directors receive a letter of appointment, setting out in detail the terms of their appointment, duties, responsibilities and indicative time commitment.

The details of familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at <https://www.edelweisshousingfin.com>.

#### Resume of Directors proposed to be re-appointed

The brief resume of Ms. Shipla Gattani, Non Executive Director liable to retire by rotation and proposed to be re-appointed is a part of the Corporate Governance Report and other information required in terms of Secretarial Standards is appended in the notice for convening the Annual General Meeting.

#### Committees of the Board

The Company has the following Board Committees:

- i. Audit Committee.
- ii. Corporate Social Responsibility Committee.
- iii. Nomination and Remuneration Committee.
- iv. Risk Management Committee.
- v. Stakeholders Relationship Committee.
- vi. IT Strategy Committee.
- vii. ALCO Committee.

The Board also constitutes specific committee(s) from time to time, depending on emerging business needs. The terms of reference of the Committees are periodically approved, reviewed and modified by the Board. Meetings of each Committee are convened by the Chairman of the respective Committee. The Company Secretary prepares the agenda notes

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in consultation with the respective Committee Chairman and circulates the same in advance to all members. Minutes of the Committee meetings are approved by the Chairman of the respective Committee and thereafter the same are noted by the Board.

The Company implements an effective post-meeting follow-up, review and reporting process concerning the decisions taken by the Committees. The significant decisions are promptly communicated by the Company Secretary to the concerned departments/ business units Head(s). The action-taken report on decisions of the previous meeting(s) is placed at the immediate succeeding meeting for review by the respective committee.

## i. Audit Committee

### Composition, Meetings and Attendance

The Audit Committee comprises of four directors namely Mr. Biswamohan Mahapatra (Chairman), Mr. Sunil Phatarphekar (Independent Director), Mr. Gautam Chatterjee (Independent Director) & Ms. Shilpa Gattani (Non-Executive Director). All the members possess financial/ accounting expertise/ exposure and have held relevant financial/accounting experience.

The Committee's composition and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

During 2021-22, four meetings of the Audit Committee were held on June 4, 2021, August 4, 2021, October 27, 2021, and January 28, 2022, the attendance of which is as under. The maximum interval between any two meetings was not greater than 120 days. The requisite quorum was present in all meetings.

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr. Biswamohan Mahapatra <sup>^</sup> - Chairman	Chairman	Independent Director	4	3
Mr. P. N. Venkatachalam*	Member	Independent Director	1	1
Mr. Sunil Phatarphekar	Member	Independent Director	4	4
Mr. Gautam Chatterjee**	Member	Independent Director	0	0
Mr. Deepak Mittal	Member	Non-Executive Director	2	2
Ms. Shilpa Gattani	Member	Non-Executive Director	4	4

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

<sup>^</sup> Mr. Biswamohan Mahapatra was appointed as Chairman of the Audit Committee effective June 4, 2021

\* Mr. P.N.Venkatachalam ceased to be the Director of the Company due to end of the term effective close of business hours on June 17, 2021.

\*\*Mr. Gautam Chatterjee was appointed as Member of the Audit Committee effective January 28, 2022.

The Audit Committee invites executives as it considers appropriate, particularly the Chief Financial Officer, Head – Internal Audit and representatives of Statutory Auditors and Internal Auditors (for internal audit matters) to be present at its meetings. The Company Secretary acts as Secretary to the Committee. There were no instances wherein any recommendation of the Audit Committee was not accepted by the Board.

## Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- a. oversight of financial reporting process and disclosure of financial information of the Company to ensure that the financial statement is correct, sufficient and creditable;
- b. recommendation for the appointment, removal, remuneration and terms of appointment of Statutory Auditors and Internal Auditors of the Company;
- c. approval of payment to Statutory Auditors for any other services rendered by them;
- d. reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval with particular reference to :
- e. Matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- f. Changes, if any, in accounting policies and practices and reasons for the same;
- g. Major accounting entries involving estimates based on the exercise of judgment by management;
- h. Significant adjustments made in the financial statements arising out of audit findings;
- i. compliance with listing and other legal requirements relating to financial statements;
- j. disclosure of any related party transactions;
- k. modified opinion (s) in the draft audit report;
- l. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- m. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- n. reviewing, with management, performance of Statutory and Internal Auditors & adequacy of the internal control systems;
- o. Review the Management discussion and analysis of financial condition and results of operations;
- p. Consider and take on record the periodic statement/report of Related Party Transactions;
- q. grant omnibus approval for Related Party Transactions including any subsequent

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- modifications from time to time;
- r. approval or any subsequent modification of transactions of the company with related parties
  - s. scrutiny of inter-corporate loans and investments;
  - t. valuation of undertakings or assets of the company, wherever it is necessary;
  - u. Review Management letters / letters of internal control weaknesses issued by the Statutory Auditors as well as Internal Audit reports relating to internal control weaknesses
  - v. evaluation of internal financial controls and risk management systems;
  - w. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, private placement etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue including Quarterly statement of deviation(s) submitted to stock exchange(s) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) and making appropriate recommendations to the board to take up steps in this matter;
  - x. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - y. discussion with Internal Auditors of any significant findings and follow up there on;
  - z. reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - aa. discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - bb. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - cc. reviewing the functioning of the whistle blower/vigil mechanism;
  - dd. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - ee. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  - ff. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
  - gg. To monitor fraud;
  - hh. Oversee implementation of regulatory policies including Anti Money Laundering and KYC (Know your Customer) Policies;
  - ii. Ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs;
  - jj. carrying out any other function as is mentioned in the terms of reference of the Audit Committee
  - kk. Investigate into any matter in relation to the items specified in the relevant section

- of The Companies Act, 2013 or referred to it by the Board and for this purpose the Committee shall have full access to information contained in the records of the company and external professional advice, if necessary;
- ll. review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee;
  - mm. any other terms of reference as may be specified by the Board from time to time.

## ii. Corporate Social Responsibility (CSR) Committee

### Composition, Meetings and Attendance

The Corporate Social Responsibility Committee presently comprises of three Directors including two Independent Directors namely Mr. Sunil Phatarphekar (Independent Director), Mr. Gautam Chatterjee (Independent Director), Mr. Deepak Mittal (Non-Executive Director) and Mr. Rajat Avasthi (Managing Director & CEO). The Committee's composition and terms of reference are in compliance with provisions of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee was devised in accordance with section 135 of the Companies Act 2013 read with the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 as amended from time to time. The CSR policy is aimed at promoting social welfare through its comprehensive programs. The said policy is available for reference at the company's website <https://www.edelweisshousingfin.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.

During 2021-22, one meeting of the Corporate Social Responsibility Committee was held on May 21, 2021. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting	
			Held#	Attended
Mr. P.N. Venkatachalam*	Chairman	Independent Director	1	1
Mr. Sunil Phatarphekar <sup>^</sup>	Member	Independent Director	1	1
Mr. Gautam Chatterjee**	Member	Independent Director	0	0
Mr. Rajat Avasthi**	Member	Managing Director & CEO	0	0
Mr. Deepak Mittal	Member	Non-Executive Director	1	1

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

\* Mr. P.N.Venkatachalam ceased to be the Director of the Company due to end of the term effective close of business hours on June 17, 2021.

\*\* Mr. Gautam Chatterjee and Mr. Rajat Avasthi were appointed as Members of the CSR Committee effective October 27, 2021 and August 4, 2021 respectively.

## Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy (the CSR Policy) which shall indicate the activities to be undertaken by the company for CSR as specified in Schedule VII;
- ii. Recommend the amount of expenditure to be incurred on the CSR activities;
- iii. Monitor the CSR Policy of the Company from time to time.

### iii. Nomination and Remuneration Committee

#### Composition, Meetings and Attendance

The Nomination and Remuneration Committee comprises of four directors namely Mr. Sunil Phatarphekar (Independent Director & Chairman), Mr. Biswamohan Mahapatra (Independent Director) and Mr. Deepak Mittal (Non-Executive Director). The Committee's composition and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The details of the Nomination and Remuneration policy is provided in the Directors' Report.

The details of remuneration paid to all the Directors and other disclosures required to be made under Regulation 34(3) of the SEBI Listing Regulations have been published elsewhere in this report and in the Board Report.

During 2021-22, the Nomination and Remuneration Committee met two times on June 4, 2021 and June 28, 2021. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting	
			Held#	Attended
Mr. Sunil Phatarphekar <sup>^</sup>	Chairman	Independent Director	2	2
Mr. P. N. Venkatachalam <sup>*</sup>	Member	Independent Director	1	1
Mr. Biswamohan Mahapatra	Member	Independent Director	2	2
Mr. Deepak Mittal	Member	Non-Executive Director	2	2

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

<sup>^</sup> Mr. Sunil Phatarphekar was appointed as Chairman of the NRC effective June 4, 2021.

<sup>\*</sup> Mr. P.N.Venkatachalam ceased to be the Director of the Company due to end of the term effective close of business hours on June 17, 2021.

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## Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- a. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- b. annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- c. formulation of criteria for evaluation of performance of independent directors and the Board of Directors and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director;
- d. specify manner for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and Compliance;;
- e. to devise a policy on diversity of Board of Directors;
- f. identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, explore their interest and availability for board / senior management service, recommend to the Board their appointment and removal as and when need arise;
- g. to ensure 'fit and proper' status and credentials of proposed /existing Directors;
- h. formulate the criteria for determining the qualifications, positive attributes etc. and independence of a Director;
- i. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director
- j. annually review and recommend the salary, bonus, equity option plan other compensation to the Key Employees (as defined in Shareholders Agreement dated March 5, 2019 executed by and amongst the Company, its Members and CDPQ Private Equity Asia Pte. Ltd.), as well as the quantitative & qualitative objectives for the relevant Financial Year and the Key Performance Indicators (KPI) structure associated with the award of any incentives;
- k. make recommendations to the Board regarding:
  - i. policy relating to the remuneration for the Directors, Key Employees and other employees
  - ii. plans for succession for both executive and non-executive Directors, as well as Key Employees

- l. review the performance of Key Employees in case of significant underperformance by the Company w.r.t. expected profitability, net worth, quality of assets, etc. and review the reasons for such under performance and evaluate the performance of Key Employees. The Committee shall recommend to the Board to take appropriate steps including revision of the remuneration / compensation of the relevant Key Employee or any other action as it may deem fit.
- m. The Committee shall report to the Board on its proceedings after each meeting on all matters within its responsibilities.
- n. The Committee is authorized by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference
- o. recommend to the board, all remuneration, in whatever form, payable to senior management.
- p. to review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee; and
- q. such other functions as may be prescribed from time to time.

### **Board Membership Criteria**

The Board is responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

The criteria for appointment to the Board inter-alia include:

- Diversity on the Board;
- Relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to Company's business and relevant to the role;
- Highest personal and professional ethics, integrity, values and stature;
- Devote sufficient time and energy in carrying out their duties and responsibilities; and
- Avoidance of any present or potential conflict of interest.

### **iv. Risk Management Committee**

#### **Composition, Meeting and Attendance**

The Risk Management Committee comprises of five members namely Mr. Deepak Mittal (Independent Director and Chairman), Mr. Biswamohan Mahapatra (Independent Director), Mr. Rajat Avasthi (Managing Director & CEO), Mr Umesh Wadhwa (Member) and Mr. Nilesh Kumar Jain (Member). The Committee's composition is in compliance with provisions of Regulation 21 of the SEBI Listing Regulations.

During the Financial year 2021-22 the Risk Management Committee met three times on July 06, 2021, August 9, 2021, and November 22, 2021. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr. Deepak Mittal	Chairman	Non-Executive Director	4	3
Mr. P. N. Venkatachalam*	Member	Independent Director	0	0
Mr. Biswamohan Mahapatra	Member	Independent Director	4	4
Mr. Rajat Avasthi	Member	Managing Director & CEO	4	4
Mr. Manish Dhanuka**	Member	Executive	2	1
Mr. Ajeet Lodha**	Member	Executive	1	1
Mr. Umesh Wadhwa	Member	Executive	4	4
Mr. Nilesh Kumar Jain	Member	Executive	4	4

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

\* Mr. P.N.Venkatachalam ceased to be the Director of the Company due to end of the term effective close of business hours on June 17, 2021.

\*\* Mr. Manish Dhanuka resigned as Member of the Committee effective close of business hours on August 31, 2021. Mr. Ajeet Lodha ceased to be Member of the Committee due to reconstitution of the Committee effective August 04, 2021.

Chief Risk Officer along with Chief Financial Officer are permanent invitees to the Committee.

### Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- a. Identifying, measuring and monitoring the various risks faced by the Company;
- b. To formulate a detailed risk management policy which shall include:
  - I. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental, social and governance-related [ESG] related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - II. Measure for risk mitigation including systems and processes for internal control of identified risks.
  - III. Business continuity plan.
- c. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- d. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- e. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- f. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
- g. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- h. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;

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- i. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;
- j. To assist in developing the Policies and verifying the Models that are used for risk measurement to have oversight over implementation of risk and related policies;
- k. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise;
- l. Establishing a common risk management language that includes measures around likelihood and impact and risk categories;
- m. To evaluate the effectiveness in the made in placing a progressive risk management system and strategy followed by the Company;
- n. to evaluate the overall risks faced by the Company including liquidity risk and report to the Board; and
- o. Evaluating the risks and materiality of all existing and prospective outsourcing activities.

## v. Stakeholders Relationship Committee

### Composition, Meetings and Attendance

The Stakeholders Relationship Committee comprises of three Directors namely Mr. Sunil Phatarphekar (Independent Director and Chairman), Mr. Gautam Chatterjee (Independent Director), Mr. Deepak Mittal (Non-Executive Director), Mr. Rajat Avasthi (Managing Director & CEO) and Ms. Shilpa Gattani (Non-Executive Director). The Committee's composition and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

During 2021-22, the Committee met once on May 21, 2021. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr.P.N. Venkatachalam*	Member	Independent Director	1	1
Mr. Sunil Phatarphekar	Chairman	Independent Director	0	0
Mr. Deepak Mittal	Member	Non-Executive Director	1	1
Ms. Shilpa Gattani	Member	Non-Executive Director	1	1
Ms. Riddhi Parekh^	Member	Company Secretary	1	1

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

\* Mr. P.N.Venkatachalam ceased to be the Director of the Company due to end of the term effective close of business hours on June 17, 2021.

^ Ms. Riddhi Parekh ceased to be a member of the Committee effective June 4, 2021.

## Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- a. Consider and resolving the grievances of the customers, security holders, including complaints related to transfer/transmission of securities including review of cases for refusal of transfer/transmission of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- b. Review of measures taken for effective exercise of voting rights by shareholders.
- c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- e. Redressing of shareholders, customers and investor complaints, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates, non-receipt of balance sheet, etc.;
- f. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by the Company, including review of cases for refusal of transfer/transmission of securities;
- g. Reference to statutory and regulatory authorities regarding investor grievances;
- h. Ensure proper and timely attendance and redressal of investor queries and grievances;
- i. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
- j. to review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee.”

## Redressal of Investor Grievances

The Company addresses all complaints, grievances and other correspondence expeditiously and replies generally within 7-10 days except in the case of legal impediments and non-availability of documents. The Company endeavours to implement suggestions as and when received from investors. No Shareholders complaints were received during FY 2021-22. There were 59 investor complaints (Non- Convertible Debentures Holders) which were received during FY 2021-22 and all were resolved.

## Compliance Officer

Mr. Girish Manik is the Company Secretary and Compliance officer of the Company.

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## vi. IT Strategy Committee

### Composition, Meetings and Attendance

IT Strategy Committee comprises of five Directors and four executives namely Mr. Biswamohan Mahapatra (Chairman and Independent Director), Mr. Gautam Chatterjee (Independent Director), Mr. Deepak Mittal (Non-Executive Director), Mr. Phanindranath Kakarla (Non-Executive Director), Mr. Rajat Avasthi (Managing Director & CEO), Mr. Ajeet Lodha (Chief Risk Officer), Mr. Pankaj Maduskar (National Credit Head), Krishanu Ray (VP - Information Technology) and Chief Information Officer (CIO). The Committee's composition and terms of reference are in compliance with the provisions of the RBI guidelines.

During 2021-22, the Committee met twice on May 21, 2021 and December 22, 2021. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr. Biswamohan Mahapatra <sup>^</sup>	Chairman	Independent Director	1	1
Mr. Gautam Chatterjee	Member	Independent Director	1	1
Mr. P.N. Venkatachalam**	Member	Independent Director	1	1
Mr. Deepak Mittal	Member	Non-Executive Director	2	2
Mr. Rajat Avasthi	Member	Managing Director & CEO	2	2
Mr. Phanindranath Kakarla *	Member	Non-Executive Director	1	1
Mr. Tushar Kotecha	Member	Chief Financial Officer	0	0
Mr. Pankaj Maduskar	Member	Executive	2	2
Mr. Krishanu Ray	Member	Executive	2	1
Mr. Ajeet Lodha	Member	Executive	2	2
Mr. Vivek Agarwal	Member	Executive	0	0

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

<sup>^</sup> Mr. Biswamohan Mahapatra was appointed as Member of the Committee effective August 4, 2021 and was appointed as Chairman of the Committee effective October 27, 2021.

\* Mr. Phanindranath Kakarla was appointed as Member of the Committee effective August 4, 2021 and Mr. Gautam Chatterjee was appointed as Member of the Committee effective October 27, 2021

### Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- Approving IT strategy and policy documents, within the framework approved by the Board, and ensuring that the management has put an effective strategic planning process in place;



- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
  - Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
  - Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;
  - Ensuring proper balance of IT investments for sustaining HFC' s growth and becoming aware about exposure towards IT risks and controls;
  - Review the functioning of IT Steering Committee;
  - The Committee should appraise/ report to the Board periodically and also report on particular matters to Audit Committee or Risk Committee, as required;
- With respect to outsourced operations the Committee shall have the following functions:
- Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
  - Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
  - Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
  - Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
  - Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
  - Periodically reviewing the effectiveness of policies and procedures;
  - Communicating significant risks in outsourcing to the Board on a periodic basis;
  - Ensuring an independent review and audit in accordance with approved policies and procedures;
  - Ensuring that contingency plans have been developed and tested adequately; and
  - Ensuring business continuity preparedness is not adversely compromised because of outsourcing.

## vii. ALCO Committee

### Composition, Meetings and Attendance

The ALCO Committee comprises of three Directors and two executives namely Mr. Rajat Avasthi (Managing Director & CEO), Mr. Deepak Mittal (Non-Executive Director, Ms. Shilpa Gattani (Non-Executive Director), Mr. Ajeet Lodha (Chief Risk Officer) and Mr. Tushar Kotecha (Chief Financial Officer). The Committee's composition and terms of reference are in compliance with provisions of the RBI Guidelines.

During 2021-22, the Committee met thrice on July 6, 2021, August 9, 2021 and November 22, 2021. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Position	No. of Meeting(s)	
			Held#	Attended
Mr. Rajat Avasthi <sup>^</sup>	Chairman	Independent Director	4	4
Mr. Deepak Mittal	Member	Non-Executive Director	4	3
Ms. Shilpa Gattani	Member	Non-Executive Director	4	2
Mr. Ajeet Lodha	Member	Executive	4	4
Mr. Tushar Kotecha <sup>\$</sup>	Member	Executive	0	0
Mr. Umesh Wadhwa <sup>*</sup>	Member	Executive	0	0
Mr. Nilesh Kumar Jain <sup>*</sup>	Member	Executive	0	0
Mr. Manish Dhanuka <sup>*</sup>	Member	Executive	2	2

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

<sup>^</sup> Mr. Rajat Avasthi was appointed as Chairman of the Committee effective October 27, 2021.

<sup>\$</sup> Mr. Tushar Kotecha was appointed as Member of the Committee effective January 28, 2022

<sup>\*</sup> Mr. Umesh Wadhwa, Mr. Nilesh Kumar Jain ceased to be Members of the Committee effective June 4, 2021 and Mr. Manish Dhanuka ceased to be Member of the Committee effective October 27, 2021.

## Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- a. review of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap.
- b. Strategizing action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:
  - i. Interest rate levels and trends
  - ii. Loan products and related markets
  - iii. Monetary and fiscal policy
- c. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits.
- d. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system.
- e. Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.
- f. Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of

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funding. Consider product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFs for similar services/products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.

- g. Endeavour to develop a process to quantify liquidity costs, benefits & risk in the internal product pricing.
- h. Review behavioural assumptions and validate models for study of assets & liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis.
- i. Review stress test scenarios including the assumptions and results.
- j. Review and approve the capital allocation methodology.
- k. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk, including capital allocation, liquidity cost, off balance sheet exposures, contingent liabilities, management of collateral position and intra-group transfers.
- l. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis.
- m. Formulate ALM policy for the Company;
- n. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company;
- o. Should ensure that an independent party regularly reviews and evaluates the various components of the Company liquidity risk management process.

### Independent Directors Meetings

During 2021-22, the Independent Directors met once on May 21, 2021. The attendance of members was as follows:

Name of Directors	Position	No. of Meeting(s)	
		Held #	Attended
Mr. P. N. Venkatachalam*	Independent Director	1	1
Mr. Biswamohan Mahapatra	Independent Director	1	1
Mr. Sunil Phatarphekar	Independent Director	1	1
Mr. Gautam Chatterjee	Independent Director	0	0

# No of meetings held during the tenure of the Member in the Committee in FY 2020-21.

\* Mr. P.N.Venkatachalam ceased to be the Director of the Company due to end of the term effective close of business hours on June 17, 2021.

The Independent Directors of the Company met without the presence of Executive Directors under the Chairmanship of Mr. P. N. Venkatachalam, Independent Director, inter-alia for:

- Reviewing the performance of Non-independent Directors and the Board as a whole;
- Reviewing the performance of the Chairman of the Company taking into account the views of Executive and Non-executive Directors;

- Assessing the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### **Loans, Investments and Guarantees**

The Company is engaged in the business of providing loans and making investments as part of treasury activities, particulars of which are provided in the Notes to Financial Statements. Except as disclosed in the financial statements, during the year under review, the Company has not given any guarantee.

### **Performance Evaluation**

Please refer to Directors Report for details on Board Evaluation.

### **Directors' Remuneration**

#### **i) Executive Directors**

The Company pays remuneration as per the Board approved Remuneration/Compensation Policy.

The remuneration paid to the Executive Directors for 2021-22 was as follows:

Name	Salary	Other Perquisites & benefits	Commission	Contribution to Provident & Superannuation Fund/allowances	Total	Stock/Shadow Options granted	Term up to
Mr. Rajat Avasthi	21616180	42139	0	790560	22448879	0	21-22

Note :

Salary Considered post deduction u/s 10/17 as per Form 16

The service contract, notice period, retrial benefits, severance pay etc. are applicable as per the terms and conditions of appointment of the above Directors.

#### **ii) Non-Executive Directors**

The Non-Executive Independent Directors are entitled to a sitting fee of ₹ 20,000 for attending each Board and Committee meeting. No sitting fees were paid to Non- Executive Non Independent Directors during FY 2021-22.

The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings. The service contract, notice period, severance fee etc. are not applicable to the Non-executive Directors.

The remuneration paid to the Independent Directors for 2021-22 was as follows:

(In ₹)

Name	Sitting Fees	Commission	Total
Mr. P. N. Venkatachalam*	1,40,000	0	1,40,000
Mr. Biswamohan Mahapatra	3,00,000	0	3,00,000
Mr. Sunil Phatarphekar	2,40,000	0	2,40,000
Mr. Gautam Chatterjee	60,000	0	60,000
<b>Total</b>	<b>7,40,000</b>	<b>0</b>	<b>7,40,000</b>

No stock options were granted to any Independent Director.

The Company has in place Directors' & Officers' Liability Insurance Policy.

### Directors' Shareholding

The details of equity shares of the Company held by Directors as on 31 March 2022 were as under:

Name of Director	No. of Equity Shares
Mr. Deepak Mittal (as nominee of EFSL)	1

### General body meetings

#### Particulars of past three Annual General Meetings (AGMs)

Year	Location	Date & Time	Special Resolutions passed
<b>Annual General Meeting</b>			
2018-19	EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI - 400 098	27.09.2019 11.00 A.M.	Appointment of Mr. Krishnaswamy Siddharth as an Executive Director
2019-20	EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI - 400 098	30.07.2020 4:00 PM	i) Issue of Non-Convertible Debentures; ii) Alternation of Object Clause of the Memorandum of Association of the Company
2020-21	EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI - 400 098	17.06.2021 05:00 P.M.	i) Appointment of Mr. Rajat Avasthi as Managing Director & CEO of the Company; ii) Issue of Non-Convertible Debentures.

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During 2021-22, the Company did not pass any resolution by postal ballot.

## **Disclosures**

### **a) Material Related Party Transactions**

None of the materially significant transactions with any of the related parties was in conflict with the interest of the Company.

Attention of the members is drawn to the disclosure of transactions with related parties set out in Notes to the Standalone financial statement forming part of the Annual Report.

The Board of Directors laid down a Policy on Related Party Transactions, setting-out the manner how the Company will address related party transactions, including the material transactions based on the threshold limit applicable to such transactions in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. The said policy is available on <https://www.edelweisshousingfin.com> The Board of Directors reviews the said policy at least once every three years for any updation.

### **b) Strictures and Penalties**

There were no strictures or Penalties levied on the Company during the financial year ended March 31, 2022.

### **c) Compliances**

All Returns/ Reports were generally filed within the stipulated time with the Stock Exchanges/ other authorities.

### **d) Code of Conduct for Directors and Senior Management**

The Code of Conduct (Code) is applicable to all Directors and Senior Management of the Company. The Code is comprehensive and ensures good governance and provides for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. A copy of the of policy can be found on <https://www.edelweisshousingfin.com/>

All the Board Members and Senior Management Personnel have affirmed compliance to the Code for the year ended 31 March 2022.

### **e) Whistle Blower Policy/ Vigil Mechanism**

Details of the vigil mechanism are provided in the Directors' Report.

### **f) Code of Conduct to Regulate, Monitor and Report Trading by Insiders**

With a view to prevent trading of securities of the Company by an Insider on the basis of Unpublished Price Sensitive Information and pursuant to the Securities and

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Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company put in place a code on the dealings of Unpublished Price Sensitive Information. The Copy of the code can be found on <https://www.edelweisshousingfin.com/>

### Means of Communication

Financial Results and media releases on significant developments in the Company including presentations that have been made from time to time to the media, institutional investors & analysts are posted on the Company's website <https://www.edelweisshousingfin.com> and are submitted to the stock exchanges on which the Company's debentures are listed, to enable them to host on their respective websites.

All stock exchange disclosures and periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor grievance settlement among others are filed electronically on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre.

The financial results are generally published in one English national daily newspaper i.e. Fress Press Journal.

**Annual Report:** In accordance with the provisions of the Companies (Management and Administration) Rules, 2014, the Company will provide Annual Report containing inter-alia, Audited standalone financial statements, Auditors' Report, Board Report including Management Discussion & Analysis Report, Corporate Governance Report including information for the Shareholders, other important information and Notice of the ensuing Annual General Meeting electronically.

Annual Report is also available on the Company's website <https://www.edelweisshousingfin.com/>

### Exclusive Designated e-mail id

The Company has designated a dedicated e-mail id i.e. [investorgrievances@edelweisshousingfin.com](mailto:investorgrievances@edelweisshousingfin.com) exclusively for investors' servicing for faster registration of their queries and/ or grievances. All investors are requested to avail this facility.

### General Shareholders' Information

The Company's registered office is situated in Mumbai Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65922MH2008PLC182906.

#### a) Annual General Meeting

**Date:** May 30, 2022

**Time:** 10.00 AM

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**Venue:** Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kirol Road, Kurla (west), Mumbai - 400070.

**b) Listing on stock exchanges**

**(i) Debentures**

The Debentures of the Company are listed on the following Stock Exchanges:

- a) BSE Limited (BSE)  
P.J. Tower, Dalal Street  
Mumbai - 400 001; and
- b) National Stock Exchange Limited (BSE)  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051.

**Issuer Code**

The issuer code of the Company is 530L

The Company has paid the listing fees to BSE & NSE for financial year 2021-22.

The International Securities Identification Number (ISIN) allotted to Company's shares under the Depository System INE530L01015

**Outstanding Stock Options/ Compulsorily Convertible Debentures/ Warrants**

As of 31 March 2022, the Company does not have any outstanding stock options/ compulsorily convertible debentures/ Warrants or other convertible instruments.

## (ii) Debt Instruments

### Debenture Trustees

<p><b>IDBI Trusteeship Services Limited</b>          Asian Building, Ground Floor,          17, R. Kamani Marg, Ballard Estate,          Mumbai 400 001, Maharashtra, India          Tel: +91 22 4080 7000          Fax: +91 22 6631 1776/40807080          E-mail: itsl@idbitrustee.com          Website: www.idbitrustee.com          Contact Person: Mr. Naresh          Sachwani          CIN: U65991MH2001GOI131154</p>	<p><b>Beacon Trusteeship Limited</b>          4 C&amp; 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</p>
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### h) Registrar and Share Transfer Agent (RTA)

KFin Technologies Private Limited, Selenium Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, Toll Free No. 1-800-309-4001; e-mail: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com);

Contact Person: Mr. Rajkumar Kale, Assistant General Manager; (Website: [www.kfintech.com](http://www.kfintech.com) and / or <https://ris.kfintech.com/>) is the Registrar and Share Transfer Agent (RTA).

KFin is also the depository interface of the Company with both National Securities Depository Limited and Central Depository Services (India) Limited.

### i) Share Transfer Mechanism

Pursuant to Regulation 7(2) of the SEBI Listing Regulations, Compliance Certificate jointly signed by Compliance officer and authorized representative of RTA certifying compliance regarding maintenance of securities transfer facilities and Certificates for timely dematerialisation of the shares as per SEBI (Depositories and Participants) Regulations, 1996; have been submitted to stock exchanges within the stipulated time.

### k) Share Ownership Pattern

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited and the entire shareholding of 6,93,50,000 Equity Shares is held by the Promoter Group. The Promoters of the Company are Edelweiss Financial Services Limited, Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited. Edelweiss Rural &

#### Edelweiss Housing Finance Limited

Corporate Identity Number: U65922MH2008PLC182906

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

✉ homeservice@edelweissfin.com @ www.edelweisshousingfin.com

Corporate Services Limited is the immediate holding company and holds 38,300,000 Equity Shares representing 55.23% shareholding.

**n) Dividend History**

The Company has not declared dividend in the past three years and does not propose to declare dividend for FY2021-22.

**o) Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares to Investor Education and Protection Fund (IEPF) Authority**

As per the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, there was no unpaid/ unclaimed interest/ redemption amount required to be transferred to Investor Education and Protection Fund.

**q) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments**

The Company has not issued any GDRs/ ADRs and no convertible instrument is pending for conversion at the end of 31 March, 2022.

**s) Plant Locations**

The Company does not have any manufacturing or processing plants. The Registered Office of the Company is situated at Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kiro Road, Kurla (west), Mumbai - 400070.

**t) Address for Correspondence**

**(i) Investor Correspondence**

For transmission/ transposition/ dematerialisation of securities, non-receipt of interest and any other queries relating to the securities, Investors may write to:

KFin Technologies Private Limited  
Selenium Tower B  
Plot No.31 - 32,  
Financial District, Nanakramguda  
Serilingampally Mandal,  
Hyderabad - 500 032, Telangana.  
Toll Free No. 1- 800-309-4001  
E-mail: einward.ris@kfintech.com  
**Website:** [www.kfintech.com](http://www.kfintech.com) and/ or <https://ris.kfintech.com/>  
Contact Person: M Murali Krishna

### (u) Credit ratings

The credit ratings enjoyed by the Company from various rating agencies as on 31st March 2022 are detailed below:

Product	Name of the Credit Rating Agency	Credit Ratings	Amount (₹ in crore)
Bank Borrowings	CRISIL	AA-	2,335.00
	CARE	A+	1,675.00
	ICRA	A+	3,800.00
Commercial Paper	CARE	A1+	1,000.00
	CRISIL	A1+	250.00
Long Term Subordinated Debt	CARE	A+	300.00
	ICRA	A+	50.00
Long Term NCD	ACUTE	AA	500.00
	BWR	AA-	550.00
	CARE	A+	1,045.00
	CRISIL	AA-	1,280.00
	ICRA	A+	1,905.05
Perpetual Debt	BWR	A+	100.00

### Compliance Certificate from the Auditors

Certificate from the Secretarial Auditors of the Company, Manish Ghia & Associates, Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations is annexed to this Report forming part of the Annual Report.

## Adoption of Mandatory and Non-mandatory Requirements

Apart from complying with all the mandatory requirements, the Company has adopted following non-mandatory requirements as specified in Regulation 27(1) of the SEBI Listing Regulations:

**(a) Financial Statements:** The financial statements of the Company, on standalone basis, are unqualified.

**(b) Separate Post of Chairman:** The Company is in the process of appointing Chairman of the Board.

**(c)** The Internal Auditors of the Company directly report to the Audit Committee.

## Certificate from CEO and CFO

In terms of Regulation 17(8) of the SEBI Listing Regulations, Compliance Certificate issued by Chief Executive Officer(s) and Chief Financial Officer is annexed to this Report.

## Fee to Statutory Auditors

The Company has paid fees Rs. 40.80 Lakhs and Rs. 28.80 Lakhs (including reimbursement of expenses), plus applicable tax to the Statutory Auditors M/s. S. R. Batliboi & Co. LLP and M/s. NGS & Co. LLP respectively.

## Investors

The website of the Company <https://edelweisshousingfin.com> carries information on Financial Results, Corporate Announcements, Presentations and Credit Rating, in addition to other relevant information for investors.

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors  
Edelweiss Housing Finance Limited

Pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, we hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year 2021-22, on standalone basis and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2021-22 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and that we have taken all necessary steps to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

- (i) significant changes, if any, in internal control over financial reporting during the financial year 2021-22;
- (ii) significant changes, if any, in accounting policies during the financial year 2021-22 and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Edelweiss Housing Finance Limited



**Tushar Kotecha**  
Chief Financial Officer  
Date: May 6, 2022

For Edelweiss Housing Finance Limited



**Rajat Avasthi**  
Managing Director & CEO  
Date: May 6, 2022

**Edelweiss Housing Finance Limited (EHFL)  
FY2021-22****Management Discussion & Analysis****MACRO ECONOMY: REVIEW AND OUTLOOK**

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

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

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

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

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

**Overall Outlook**

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

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

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

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

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

**NBFC Industry**

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

Last two years have been challenging, but this year the industry is looking at a revival in a post-pandemic era and the revival will gather further

momentum next fiscal. Most NBFCs have also invested good amounts in the technology infrastructure. So even if there is a lockdown, disruption in the business will be lower than what it was earlier.

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

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

### **Retail Finance**

India has one of the lowest credit penetration among larger economies and retail credit presents a large growth opportunity driven by long term trends of democratisation of credit, rising household incomes and increased consumption. The asset under management (AUM) of NBFC (Retail) is expected to grow 8-10 percent in fiscal 2023.

In addition to retail mortgages, the other scalable area which has been a focus of all banks and NBFCs is SME finance owing to the government guaranteed scheme. This segment, though is an attractive offer for borrowers due to its lending cap, will pose challenges for lenders given constant business disruptions due to external uncertainties. Inopportune use of the ECLGS scheme without assessment of long-term customer viability has the potential to compound up the size of the problem for certain SME loans. Within the retail segment, personal credit, microfinance and gold loans are likely to be the primary growth drivers as other asset segments-vehicle finance and business credits are still facing headwinds because of supply constraints and asset quality concerns.

### **Housing Finance Industry in India**

Housing Finance Companies (HFCs) serve as an alternative financing channel to the real estate and housing sector and are a part of the non-banking financial companies (NBFC) sector. Over the years, the Housing Finance Industry has moved significantly from being majorly run by the government to being run by Banks, NBFCs and Housing Finance Companies (HFCs). Within the housing finance sector, affordable housing is receiving special attention currently. The housing finance market in India can expand and lend to borrowers who currently are not being serviced by financial institutions i.e., the borrowers who fall in low to middle income group or want small ticket housing loans and do not have formal proof of the income. HFCs play an important role in the Indian financial system by complementing and competing with banks, specializing in credit delivery to home buyers, providing an opportunity to those businesses which want to monetize their real estate assets and developers. They develop strong niches with their specialized credit delivery models that even larger players including banks have found hard to match.

The HFCs have great potential when it comes to growth in the Indian housing space. Compared to other countries' housing finance sectors, the Indian housing finance sector is yet to fully tap the potential present in the segment. Over the last five years, the Indian home loan portfolio has grown twice its size.

While housing demand was deeply impacted during the first half of FY 2021-22, the situation improved in the second half owing to the pent-up demand, falling interest rates, and the extension of the credit subvention scheme for the affordable housing segment. Post-pandemic, there has been an incremental need for owning a home rather than renting out.

Within the residential real estate segment, we expect the following trends to lead to revival and growth –

- Relocations and shift in buying behaviour – The Covid-19 pandemic shifted the attitude that resulted in consumers buying new homes. As the pandemic forced individuals to spend all their time within the confines of their homes, most families became acutely

aware of the lack of space or limitations with respect to facilities offered in their complexes. We expect such families to be motivated to relocate and make new purchases due to the want of more open space, modern amenities, proximity to their workplace, and desire to relocate closer to extended families and friends. The demand for projects with good architecture, uncluttered space, and recreational activities for children and the elderly is projected to increase.

- Government incentives and motivation – Despite policy focus and sustained government efforts, India still suffers from a housing shortage that could increase with a rising population. Government of India estimates suggest that India will need anywhere between 80 million to 100 million additional housing units; the costs of building these additional units could be from Rs.100 trillion to Rs.115 trillion. To meet the ambitious target of ‘Housing for All’, enhanced efforts will be needed on issues that relate to housing, as also those that relate to finance for housing. Also, higher savings of better-off individuals during the pandemic, may lead to home buyers preponing their plans of buying or investing in new property
- Holiday and second homes – The need for social distancing and pandemic-led cabin fever opened a new avenue for realtors – second homes and holiday homes. Home buyers, mainly those belonging from affluent classes, are feeling the need for owning a holiday home for quick, short breaks over the weekend, workcations, or the want for social distancing in second homes.

Consequent to need for social distancing and rise in demand for a second home, an increase in demand in tier-II and III cities was witnessed. While the sector seems to have returned to normalcy, a consistent growth could be impacted by financial distress to households caused by the pandemic and may prompt consumers to think twice before making big-ticket expenses on and prioritize savings, especially given the fears surrounding a possible next wave post the emergence of the future variant of the virus.

Thus, non-bank credit availability through the medium of HFCs will continue to be an effective channel for meeting credit requirements of retail clients going forward. Housing Finance business, therefore, presents exciting and large opportunity to the Company for long-term growth together with designed diversification in the revenue streams. This business, including Loan against Property, is also an integral part of our strategy to diversify our asset classes and cover a larger retail footprint together with significant opportunities to cross-sell our other products to retail clients. Having started the housing finance business in FY11, during FY13 we also forayed into grant of Small Ticket Housing Loans in five cities in Tamil Nadu as a part of our strategy to serve all sections of society.

## **EDELWEISS HOUSING FINANCE OVERVIEW**

Edelweiss Housing Finance Limited (EHFL) was incorporated on May 30, 2008 as a public limited company under the provisions of the Companies Act, 1956 as a wholly owned subsidiary of Edelweiss Financial Services Limited. EHFL is carrying on business of housing finance (without acceptance of public deposits) under the Certificate of Registration No. 03.0081.10, dated March 18, 2010 issued by National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987, subject to the conditions mentioned in the Certificate of Registration.

At EHFL we offer a wide range of products and services for retail clients with a focus on client requirements while designing our products. We have earned a reputation of being a vibrant, risk-conscious, quality driven Housing Finance Company.

The Company offers various products such as housing finance, small ticket housing loans, retail construction finance and loans against property. While the economic slowdown and liquidity crunch affected performance of NBFCs/HFCs during FY20, the COVID-19 pandemic further muted performance during most part of FY21. However, FY22 saw a significant revival in housing demand across India. While our Company too ensured market participation through our retail disbursements

but given the cyclical ebbs and flows of the pandemic, we continued to retain a very strong focus on risk management, portfolio performance and liquidity management through FY22.

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

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

Today, EHFL is a ~Rs. 40 billion asset base company with presence in all the significant areas of housing finance businesses including mortgage loans, small ticket housing loans, residential projects construction finance and loans against property allowing it to address a considerable part of the financial needs of its customers.

## **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

While the economic slowdown and liquidity crunch affected the performance of NBFCs/HFCs during FY21, COVID-19 pandemic coming in towards the end of FY21 continued to cast shadows on their performance during most part of FY21. Just when the Q3FY22 was beginning to look brighter, we have found ourselves in the midst of the third COVID-19 wave. Our company, therefore, continued to focus during the year on risk management including control over asset quality and liquidity management. However, our strong business fundamentals have enabled us to withstand the headwinds faced by NBFC/HFC industry. At the same time, we devoted the year to improving productivity of our employees, deploying technology to enable our employees to cater to all the needs of the clients while working from home and ensuring quality of credit and customers.

EHFL adopted prudent approach with disbursements only to targeted customers predominantly under Emergency Credit Line Guarantee Scheme (ECLGS) scheme launched by the government. Fresh disbursements were gradually restarted in Q3FY22 without losing the sight of the risk environment. This resulted in a temporary setback to the growth momentum it had achieved in the past few years.

EHFL employed Direct Assignment and Securitization as an effective way to manage ALM and cost of liabilities. Various costs management initiatives were undertaken during the year. Further, structural interventions like process changes, analytics and technology adoption will aid in cost optimization and improved productivity. Significant efforts were undertaken by the Company through deployment of existing work force towards collections and recovery. Various employee engagement initiatives also were undertaken with special focus on talent management.

## **FINANCIAL HIGHLIGHTS FOR FY22**

A summary of our FY22 financial highlights is as under:

- **Total Revenue: Rs.5,139.09 million** (Rs.5,510.54 million for FY21), down 6.7%
- **Profit after Tax: Rs.138.07 million** (Rs.37.29 million for FY21), up 269.5 %
- **Net worth (tangible): Rs.7,776.32 million** (Rs.7,627.88 million at the end of FY21)
- **Return on Average Equity: 1.79%** (0.49% for FY21)
- **EPS: Rs.1.99** (Rs.0.54 for FY21) (Face Value Rs.10 per equity share)
- **Book Value per Share Rs.112.13** (Rs.109.99 for FY21)

## **INCOME**

### **Fund Based Revenue**

Our fund-based businesses earned revenue of Rs.4,453.13 million for FY22 (Rs.5,026.66 million for FY21), a decrease of 11.4%. Fund based revenue mainly includes Interest Income from lending activities.

### **Fee & Commission Income**

Our fee & commission income was Rs.580.70 million for the year, compared to Rs.341.46 million in FY21, up by 70.1%.

**Net Revenue**

For HFCs, like NBFC or banking industry, the concept of Net Revenue (net of interest cost) is another way of analysing performance. This is because interest cost, as with all Banks and large NBFCs/HFCs, should reflect above the expenses line. On a net revenue basis, our Agency fee & commission for FY22 was Rs.580.70 million (Rs.341.46 million for FY21) and Fund based net revenue, i.e. net of interest cost, all the interest cost being for fund-based revenue, was Rs. 1,177.44 million (Rs.1,133.83 million for FY21). Thus, the total net revenue for FY22 was Rs.1,863.42 million (Rs. 1,617.71 million for FY21), up by 15.2%.

**EXPENSES**

Our total cost for FY22 was Rs.4,937.28 million (Rs.5,591.26 million in FY21), down 11.7%. Within our total costs, operating expenses decreased from Rs.1,084.10 million in FY21 to Rs.958.33 million in FY22, down 11.6%. As regards interest expense, which decrease by 15.8% in FY22, our borrowings at the end of FY22 were Rs. 30,373.00 million compared to Rs. 39,605.46 million at the end of FY21.

**PROFIT AFTER TAX**

Our Profit after Tax for FY22 was Rs.137.73 million compared to Rs.37.29 million for FY21, up by 269.5%.

Our Return on Average Equity for FY22 is higher at 1.79% compared to 0.49% in FY21.

**Analysis of Profitability**

Despite the challenging environment during FY22, we have managed to increase our profitability as compared to FY21. The following factors contributed to the higher profitability:

- The Net Interest Income grew to Rs. 1,863.42 million as at the end of FY22 compared to Rs. 1,617.71 million at as the end of FY21, a increase of 15.2%. This has resulted in net interest income increase by Rs.245.60 million in FY22 over FY21.
- Our fee and commission income stood at Rs.580.70 million in FY22 compared to Rs.341.46 million in FY21.

- While we continued to be adequately collateralised on our loans, credit asset quality is improved in the year and under control. Our Specific provision coverage Ratio at the end of FY22 was 26.7% compared to 10.3% at the end of FY21.
- Our borrowing cost decreased to 9.0% in FY22 compared to 9.3% in FY21.

**Balance Sheet Gearing**

We believe that a strong balance sheet imparts unique ability to our company to be able to meet demands of our clients and be able to raise debt capital whenever required. EHFL has a tangible net worth of Rs. 7,776.32 million as at the end of FY22 compared to Rs.7,627.88 million at the end of FY21. Amount of debt on the Balance Sheet as on March 31, 2022 was Rs. 30,373.00 million (Rs. 39,605.46 million as on March 31, 2021), a Gearing Ratio of 3.95 times as at FY22 compared to 5.25 times as at the end of FY21. The comfortable leverage allows us enough headroom to continue to grow and invest in business once the growth momentum returns. The gross Balance Sheet size at the end of FY22 was Rs.39,566.59 million compared to 49,311.00 million at the end of FY21.

**ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS**

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

1. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof, including:
  - (a) Debt Equity Ratio 3.95 at the end of FY22 compared to 5.25 at the end of FY21.
  - (b) Operating Profit Margin 12.2% in FY22 compared to 7.8% in FY21. This was on the back of decline in the operating cost.

(c) Consequent to the above factors, Net Profit Margin stood at 2.7% at the end of FY22 compared to 0.7% at the end of FY21.

- Return on Average Equity (net worth) for FY22 is 1.79% compared to 0.49% for FY21. Increase is mainly due to higher profit after tax for FY2022.
- Interest service coverage ratio for FY22 is 1.06 times increased from 0.98 times for FY21.

Other parameters, namely Debtors Turnover and Inventory Turnover, are not applicable to our company.

## BUSINESS PERFORMANCE HIGHLIGHTS

Brief highlights of our business performance in FY22 are as under:

### CREDIT BUSINESS

Credit business of EHFL broadly offers residential mortgage loans for purchase or construction of houses including small ticket housing loans, residential projects construction loans, loans against property and rural finance. These products provide us with the intended diversification in our business thereby reducing the concentration risk. Retail segment loans provide the desired potential for scaling up in a vast underpenetrated market like India.

Total gross credit book of EHFL stands at Rs. 31,448.70 million at the end of this year compared to Rs. 36,453.58 million at the end of previous year, down 13.7%. Total number of housing finance, loan against property and construction finance clients was ~22,000 at the end of FY22.

The composition of Gross Credit Book as on March 31, 2022 is as under:

(Rs. In million)

Product/Segment	As on March 31, 2022	As on March 31, 2021
Housing Loans	18,383.77	20,785.24
Construction Finance	1,611.08	1,216.42

Loan against Property	9,923.47	13,438.77
Rural Finance/ others	1,530.40	1,013.15
<b>Total Loan Book</b>	<b>31,448.72</b>	<b>36,453.58</b>

Gross Credit book witnessed a decline of 13.73% during FY22.

### Asset Quality

Our Gross non-performing loans (NPL) were at 1.99% and Net NPLs at 1.46% at the end of FY22 compared to 3.50% and 3.14% respectively at the end of FY21. Gross non-performing loans stands at Rs. 627.30 million at the end of FY22 compared to Rs.1275.82 million at the end of FY21. Our Provision Coverage Ratio of stage-3 assets was 77.2% at the end of FY22. We continue to focus on risk management and achieving growth in the book without diluting risk standards.

There was some disruption faced by the NBFC / HFC industry on account of the new prudential norms issued by RBI in Nov-22. This resulted in temporary increase in GNPA's and credit-costs. However, we have subsequently seen strong recoveries in Q4, FY22 which have resulted in lowering of GNPA's and reduction of credit costs.

EHFL's Credit business is anchored in a deep understanding of credit underwriting and strong risk management practices. Underwriting is based on a detailed analysis and appraisal of cash flow, collateral and counterparty. Risk management involves establishing robust processes around monitoring, communication and follow-up.

### BALANCE SHEET MANAGEMENT

From its earliest days, EHFL has recognised the importance of balance sheet management and has significantly focused in creating a strong balance sheet. A strong capital base provides us the freedom and ability to deploy capital for scaling up our business. A strong balance sheet also enables us easier access to market borrowings.

### Changing Liabilities Profile in Sync with Asset Profile

The efforts to secure longer term credit facilities from banks continued throughout the year under

review. Our total borrowings at the end of FY22 were Rs.22.93 billion compared to Rs.34.81 billion a year ago. We have a formal Consortium Banking arrangement for our credit facilities with State Bank of India being the Lead Bank.

**Diversification of Sources of Funding**

We also continue to diversify the sources of borrowings by tapping newer sources like Securitization etc. Securitization formed 20% of our financial liabilities in FY22 as compared to 11% in FY21.

**Capital Adequacy Ratio**

As per the Housing Finance Companies Prudential Norms stipulated by Reserve Bank of India, all HFCs are required to maintain a minimum Capital to Risk-weighted Assets Ratio (“CRAR”) of 15% (as at March 31, 2022). EHFL’s CRAR as on March 31, 2022 was 28.3% with a Tier I Ratio of 28.3%. With a comfortable CRAR, EHFL is in a position to increase its asset base on the back of growing demand for housing. Our CRAR over the period of last three years is as under:

Particulars as on	March 31, 2020	March 31, 2021	March 31, 2022
C R A R prescribed by NHB/RBI	13.0%	14.0%	15.0%
Total Capital Adequacy Ratio	<b>28.6%</b>	<b>26.5%</b>	<b>28.3%</b>
Out of which:			
Tier I	28.0%	26.5%	28.3%
Tier II	0.6%	0.0%	0.0%

**OPPORTUNITIES**

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

- There is a large gap between the supply and demand of homes in India, which is further aggravated by Covid Pandemic in the last couple of years. This gap between the supply and demand of homes has led to rapid surge in the housing prices which has led to affordability issues for buyers as there are larger down payments and eventually giving

opportunities to HFC’s to fulfil the credit demand.

- The pandemic has created a higher need for stability and security that comes from staying in an owned home vs a rented one. The individuals who were comfortable living on rent, now feel the need to own a house. Additionally, owing to work from home culture, individuals are showing interest to buy a bigger unit as it fulfils their space requirements of work from home and kids attending their classes from home. As, there is a growing demand for new home around the country we as an HFC don’t want to miss out on that.
- Government’s initiative for Co-lending model to the priority sector i.e. unserved and underserved sector of the economy and making the funds available to the ultimate beneficiary at an affordable cost, considering the banks offer lower cost of funds and NBFC/HFCs offer greater reach to the sectors has given the companies like us a long-term growth opportunity and has enabled us to create a long term pivot business model.
- Increasing Financial literacy in the country, Democratisation of credit, Movement of household savings to investments and Rise in demat accounts, rising entrepreneurship culture will present growth opportunities for a company like ours.

**THREATS**

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

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

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

## **OUTLOOK & STRATEGY**

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

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

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

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

## **ENTERPRISE GROUPS**

The Company is part of Edelweiss Group and is subject to regulatory requirements on governance policies and practices established at the group level and implemented uniformly across the group. Our company itself is responsible and equipped with management of enterprise functions and also draws upon the support from and expertise available at the Edelweiss Group. Various steps taken by us to improve efficacy of Enterprise functions are detailed below.

## **GOVERNANCE**

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

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

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

## **RISK MANAGEMENT**

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

While we have been managing various risks, a need for holistic approach to risk management led us to embrace the **Enterprise Risk Management (ERM)** framework. This framework has helped us strategically benchmark our practices across different business lines to the best-in-class levels.

We have also put in place an in-house “**Eleven-risk framework**” to formalize the process of Assess, Avoid, Manage and Mitigate risks across business verticals in a continuous manner. The objective of the ERM framework is to look at the risks from all perspectives, not just credit or financial risks and ensure that key risks are adequately and timely addressed.



The risk governance structure at EHFL includes Board, Audit Committee, Risk Management Committee, Credit Approval Committee, Investment Committee, Asset Liability Management Committee, IT Strategy Committee, Whistle-blower Committee, Internal Committee - POSH, Resource Mobilization Committee, PIT Code Monitoring Committee and Disciplinary Action Committee.

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

Risk Culture is of paramount importance to EHFL. We have taken multiple initiatives to further

improve and strengthen the Risk Culture through the organisation. Appropriate risk behaviour is recognized and applauded through specific reward and recognition programs.

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

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

### Key Risks

EHFL deals in multiple asset classes and client segments. Thus, we are exposed to various risks that can be broadly classified as credit risk, market risk, operational risk and fraud risk.

### Credit Risk

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

### **Liquidity and Market Risk**

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

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

### **Regulatory Risk**

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

### **Operational Risk**

Operational risk framework of EHFL 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 EHFL we have defined and implemented an anti-fraud framework which lays emphasis on proactive reporting & early detection of incidents which is also followed by us. Trainings & campaigns ensure that our employees are cognizant of this risk. More

specifically, for EHFL, due diligence on borrower's income, KYC and title reports is carried out strictly as per laid down policy to ensure frauds are avoided.

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

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

### **Internal Audit**

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

The internal audits are carried out by external professionals who provide independent view and assurance by assessing the adequacy and effectiveness of internal control, compliance to internal and external guidelines and risk management practices across the company. Internal Audit reports are reviewed by the Audit Committee of the Board.

## HUMAN RESOURCES

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

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

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

Developments on the HR front in FY22 are summarized below:

- The headcount as on March 31, 2022 (the end of the FY22) was 584
- We partnered with various stakeholders in the ecosystem to create an exhaustive roadmap

for our hiring process. The aim was to attract freshers (graduate and post-graduate) and talent from across competing firms were onboarded.

- We implemented learning interventions designed to address all stages of the employee's journey - Pre-boarding, onboarding, and integration stage.
- Investment in digitalization & innovation – The launch of our unified HRMS tool DarwinBox, made our processes more efficient for our people. The Performance Management System was moved on to the platform and our teams can monitor their year-end feedback, development plans, complete goal setting, and track progress on a real time basis, all at the click of a button.

A robust reward and recognition program to applaud our teams, spontaneously and over the course of the year, has helped drive the culture of recognition. The 'Mortgages Premier league', a quarterly program, applauds employees for best collection, sales, underwriting and enterprise functions to name a few, where our highest performers are invited to Mumbai for the facilitation.

### People Practices during COVID-19 Pandemic

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

During the pandemic, our hybrid work model gave our people the flexibility to Work From Home (WFH) or Work From Office (WFO) and the use of technology made sure we stayed connected at every stage. Staff communication around COVID advisories, health & safety webinars, vaccination drives and various other Covid initiatives, provided our people with the required information to help them and their family deal with the situation. Our 'We Care' umbrella monitored individual health

through various touch points including regular phone calls.

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

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

## **TECHNOLOGY**

### **Leadership**

In the changed context, virtual leadership emerged to ensure that plans, decisions, information, and accomplishments are shared to motivate team

members while sustaining connection, trust, and engagement with team members through frequent check-ins.

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

### **Technology resiliency**

The key pillars of technology resiliency have been:

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

### **Information Security**

During COVID-19 pandemic, the threat landscape reached a critical tipping point that changed cybersecurity outlook. It not only increased digitization but also cybercrimes. To cater to this changing landscape, we have adopted zero trust security model. This new model requires strict identity verification for every person and device trying to access resources on a private corporate network, regardless of whether they are sitting within or outside of the corporate perimeter. We further strengthened the cyber security posture of the organization, we migrated all the critical internet-facing interfaces behind an established cloud-based web application firewall to safeguard against web application attacks as well as

distributed denial of service attacks. Further, regular vulnerability assessment and penetration testing, review of segregation of duties, other audit, and compliance testing(s) have ensured that the organization's information assets are safe and secure. An awareness program is conducted for all employees using the digital channel regarding cyber security. Employees of the organization are required to undergo a mandatory online learning module on information security and affirm that they have understood and are aware of the protocols to be followed. Regular information security related flyers/e-mailers are also sent to all employees for awareness and training purpose.

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

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

## **CUSTOMER EXPERIENCE**

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

With this motto in sight, we have continued to build a culture of customer-centric business. To drive this agenda, we have also implemented various measures including digital upgrade. Through these efforts, we are responding to evolving customer needs, and institutionalizing these processes across the organisation, to ensure a superlative experience for all our customers, throughout the value chain.

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**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 our company'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. Edelweiss Group or our company has obtained all market or industry data and other information from sources believed to be reliable or through its internal estimates unless otherwise stated, 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. FY20, FY21 and FY22 numbers are as per IndAS. All information in this discussion has been prepared solely by the company and has not been independently verified by anyone else.

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**ANNEXURE III**
**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)

**I. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Amount (In millions)	Date of approval by the Board	Amount paid as advances, if any
1	Edelweiss Retail Finance Limited	Short term loans taken from (Maximum)	One Year	250.00	June 4, 2021 and March 31, 2022	NIL
2	Edelweiss Retail Finance Limited	Short term loans taken from (Volume)	One Year	250.00	June 4, 2021 and March 31, 2022	NIL
3	Edel Land Limited	Short term loans taken from (Maximum)	One Year	500.00	June 4, 2021 and March 31, 2022	NIL
4	Edel Land Limited	Short term loans taken from (Volume)	One Year	500.00	June 4, 2021 and March 31, 2022	NIL

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Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Amount (In millions)	Date of approval by the Board	Amount paid as advances, if any
5	Edelweiss Retail Finance Limited	Short term loans repaid to (Maximum)	One Year	130.00	June 4, 2021 and March 31, 2022	NIL
6	Edel Land Limited	Short term loans repaid to (Maximum)	One Year	500.00	June 4, 2021 and March 31, 2022	NIL
7	Edel Land Limited	Short term loans repaid to (Volume)	One Year	500.00	June 4, 2021 and March 31, 2022	NIL
8	Edelweiss Retail Finance Limited	Short term loans repaid to (Volume)	One Year	250.00	June 4, 2021 and March 31, 2022	NIL
9	ECL Finance Limited	Short term loans given to (Maximum)	One Year	2,000.00	June 4, 2021 and March 31, 2022	NIL
10	Edelweiss Rural & Corporate Services Limited	Short term loans given to (Maximum)	One Year	1,300.00	June 4, 2021 and March 31, 2022	NIL
11	Edelweiss Retail Finance Limited	Short term loans given to (Maximum)	One Year	2,500.00	June 4, 2021 and March 31, 2022	NIL

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12	ECL Finance Limited	Short term loans given to (Volume)	One Year	7,950.00	June 4, 2021 and March 31, 2022	NIL
13	Edelweiss Rural & Corporate Services Limited	Short term loans given to (Volume)	One Year	4,400.00	June 4, 2021 and March 31, 2022	NIL
14	Edelweiss Retail Finance Limited	Short term loans given to (Volume)	One Year	6,500.00	June 4, 2021 and March 31, 2022	NIL
15	ECL Finance Limited	Short term loans repaid by (Maximum)	One Year	2,000.00	June 4, 2021 and March 31, 2022	NIL
16	Edelweiss Retail Finance Limited	Short term loans repaid by (Maximum)	One Year	2,500.00	June 4, 2021 and March 31, 2022	NIL
17	Edelweiss Rural & Corporate Services Limited	Short term loans repaid by (Maximum)	One Year	1,300.00	June 4, 2021 and March 31, 2022	NIL
18	ECL Finance Limited	Short term loans repaid by (Volume)	One Year	8,950.00	June 4, 2021 and March 31, 2022	NIL

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19	Edelweiss Retail Finance Limited	Short term loans repaid by (Volume)	One Year	6,500.00	June 4, 2021 and March 31, 2022	NIL
20	Edelweiss Rural & Corporate Services Limited	Short term loans repaid by (Volume)	One Year	4,400.00	June 4, 2021 and March 31, 2022	NIL
21	ECL Finance Limited	Loan portfolio purchase under direct assignment	One Time	1,005.78	June 4, 2021 and March 31, 2022	NIL
22	Edelweiss Retail Finance Limited	Loan portfolio purchase under direct assignment	One Time	282.82	June 4, 2021 and March 31, 2022	NIL
23	Edelweiss Asset Reconstruction Company Limited	Loan sold to ARC trust	One Time	1,925.70	June 4, 2021 and March 31, 2022	NIL
24	Edelweiss General Insurance Company Limited	Loan sale under Securitisation	One Time	100.83	June 4, 2021 and March 31, 2022	NIL
25	Edelweiss Tokio Life Insurance Company Limited	Loan sale under Securitisation	One Time	997.36	June 4, 2021 and March 31, 2022	NIL

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26	EARC Trust SC 417	Investment in Security Receipt issued by	One Time	365.93	June 4, 2021 and March 31, 2022	NIL
27	EARC Trust SC 418	Investment in Security Receipt issued by	One Time	273.19	June 4, 2021 and March 31, 2022	NIL
28	EARC Trust SC 447	Investment in Security Receipt issued by	One Time	566.27	June 4, 2021 and March 31, 2022	NIL
29	EARC Trust SC 451	Investment in Security Receipt issued by	One Time	294.44	June 4, 2021 and March 31, 2022	NIL
30	EARC Trust SC 459	Investment in Security Receipt issued by	One Time	137.10	June 4, 2021 and March 31, 2022	NIL
31	Edelweiss Retail Finance Limited	Sale of Security Receipts	One Time	378.65	June 4, 2021 and March 31, 2022	NIL
32	Edelweiss Rural & Corporate Services Limited	Redemption of bonds held in	One Time	94.78	June 4, 2021 and March 31, 2022	NIL

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33	ECL Finance Limited	Purchase of bonds from	One Time	150.72	June 4, 2021 and March 31, 2022	NIL
34	Edelweiss Retail Finance Limited	Purchase of bonds from	One Time	0.20	June 4, 2021 and March 31, 2022	NIL
35	Edelweiss General Insurance Company Limited	Interest expense on Securitisaion	One Year	0.13	June 4, 2021 and March 31, 2022	NIL
36	Edelweiss Tokio Life Insurance Company Limited	Interest expense on Securitisaion	One Year	0.70	June 4, 2021 and March 31, 2022	NIL
37	Edelweiss Retail Finance Limited	Interest Expenses on loan from	One Year	2.08	June 4, 2021 and March 31, 2022	NIL
38	Edel Land Limited	Interest Expenses on loan from	One Year	0.61	June 4, 2021 and March 31, 2022	NIL
39	ECL Finance Limited	Interest Income on loan to	One Year	71.62	June 4, 2021 and March 31, 2022	NIL

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40	Edelweiss Retail Finance Limited	Interest Income on loan to	One Year	19.32	June 4, 2021 and March 31, 2022	NIL
41	Edelweiss Rural & Corporate Services Limited	Interest Income on loan to	One Year	93.46	June 4, 2021 and March 31, 2022	NIL
42	Edelweiss Rural & Corporate Services Limited	Interest Income on security deposit to	One Year	11.74	June 4, 2021 and March 31, 2022	NIL
43	Edel Land Limited	Interest Income on security deposit to	One Year	9.39	June 4, 2021 and March 31, 2022	NIL
44	Edelweiss Finance & Investments Limited	Interest Expenses on Non convertible Debentures	One Year	0.02	June 4, 2021 and March 31, 2022	NIL
45	ECL Finance Limited	Interest Expenses on Non convertible Debentures	One Year	8.68	June 4, 2021 and March 31, 2022	NIL
46	Edelweiss Retail Finance Limited	Interest Expenses on Non convertible Debentures	One Year	0.81	June 4, 2021 and March 31, 2022	NIL

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47	Edelweiss Tokio Life Insurance Company Limited	Interest Expenses on Non convertible Debentures	One Year	2.58	June 4, 2021 and March 31, 2022	NIL
48	Edelweiss Rural & Corporate Services Limited	Interest Income on non convertible debentures	One Year	13.21	June 4, 2021 and March 31, 2022	NIL
49	Edelweiss Financial Services Limited	Cost reimbursement paid to	One Year	1.42	June 4, 2021 and March 31, 2022	NIL
50	Edelweiss Rural & Corporate Services Limited	Cost reimbursement paid to	One Year	48.97	June 4, 2021 and March 31, 2022	NIL
51	Edelweiss Securities Limited	Cost reimbursement paid to	One Year	0.00	June 4, 2021 and March 31, 2022	NIL
52	Edel Land Limited	Cost reimbursement paid to	One Year	0.06	June 4, 2021 and March 31, 2022	NIL
53	ECL Finance Limited	Cost reimbursement paid to	One Year	6.58	June 4, 2021 and March 31, 2022	NIL

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54	Edelweiss Broking Limited	Cost reimbursement paid to	One Year	0.08	June 4, 2021 and March 31, 2022	NIL
55	Edelweiss Retail Finance Limited	Cost reimbursement paid to	One Year	0.38	June 4, 2021 and March 31, 2022	NIL
56	Edelweiss Financial Services Limited	ESOP cost reimbursement	One Year	4.40	June 4, 2021 and March 31, 2022	NIL
57	Edelweiss Custodial Services Limited	Cost reimbursement received from	One Year	0.00	June 4, 2021 and March 31, 2022	NIL
58	Edelweiss General Insurance Company Limited	Cost reimbursement received from	One Year	0.00	June 4, 2021 and March 31, 2022	NIL
59	Edelweiss Retail Finance Limited	Service fee received from	One Year	0.26	June 4, 2021 and March 31, 2022	NIL
60	ECL Finance Limited	Service fee received from	One Year	0.11	June 4, 2021 and March 31, 2022	NIL

**Edelweiss Housing Finance Limited**

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Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Amount (In millions)	Date of approval by the Board	Amount paid as advances, if any
61	Edelweiss Retail Finance Limited	Service charges paid	One Year	1.50	June 4, 2021 and March 31, 2022	NIL
62	ECL Finance Limited	Service charges paid	One Year	1.44	June 4, 2021 and March 31, 2022	NIL
63	ECL Finance Limited	Shared premises cost paid to	One Year	27.50	June 4, 2021 and March 31, 2022	NIL
64	Edelweiss Retail Finance Limited	Shared premises cost paid to	One Year	8.66	June 4, 2021 and March 31, 2022	NIL
65	Edelweiss Broking Limited	Shared premises cost paid to	One Year	0.07	June 4, 2021 and March 31, 2022	NIL
66	Edel Land Limited	Shared premises cost paid to	One Year	1.80	June 4, 2021 and March 31, 2022	NIL
67	Edelweiss Custodial Services Limited	Shared premises cost received from	One Year	0.26	June 4, 2021 and March 31, 2022	NIL

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68	Edelweiss General Insurance Company Limited	Shared premises cost received from	One Year	0.26	June 4, 2021 and March 31, 2022	NIL
69	Edelweiss Financial Services Limited	Shared premises cost received from	One Year	0.01	June 4, 2021 and March 31, 2022	NIL
70	Edelweiss Rural & Corporate Services Limited	Shared premises cost received from	One Year	0.15	June 4, 2021 and March 31, 2022	NIL
71	Edel Land Limited	Corporate Guarantee support fee paid to	One Year	0.03	June 4, 2021 and March 31, 2022	NIL
72	Edelweiss Rural & Corporate Services Limited	Corporate Guarantee support fee paid to	One Year	0.02	June 4, 2021 and March 31, 2022	NIL
73	Edelweiss Rural & Corporate Services Limited	Corporate Guarantee fee received from	One Year	0.01	June 4, 2021 and March 31, 2022	NIL
74	Edelweiss Rural & Corporate Services Limited	Rating support fees paid to	One Year	0.13	June 4, 2021 and March 31, 2022	NIL

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75	Edelweiss Financial Services Limited	Risk and reward sharing fee expense	One Year	1.94	June 4, 2021 and March 31, 2022	NIL
76	Edelweiss Financial Services Limited	ARC Management Fee received from	One Year	89.03	June 4, 2021 and March 31, 2022	NIL
77	ECL Finance Limited	Professional fees paid to	One Year	0.55	June 4, 2021 and March 31, 2022	NIL
78	Edelweiss Asset Reconstruction Company Limited	Management Fees paid to	One Year	76.72	June 4, 2021 and March 31, 2022	NIL
79	Edelweiss Securities Limited	Commission and brokerage paid to	One Year	0.03	June 4, 2021 and March 31, 2022	NIL
80	Edelweiss Investment Limited	Commission and brokerage paid to	One Year	0.01	June 4, 2021 and March 31, 2022	NIL
81	Edelweiss Rural & Corporate Services Limited	Enterprise service charge paid to	One Year	0.63	June 4, 2021 and March 31, 2022	NIL

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82	ECL Finance Limited	Enterprise service charge paid to	One Year	20.12	June 4, 2021 and March 31, 2022	
83	Mr. P N. Venkatachalam	Director Sitting fees	One Year	0.14	June 4, 2021 and March 31, 2022	NIL
84	Sunil Phatarphekar	Director Sitting fees	One Year	0.28	June 4, 2021 and March 31, 2022	NIL
85	Biswamohan Mahapatra	Director Sitting fees	One Year	0.32	June 4, 2021 and March 31, 2022	NIL
86	Gautam Chatterjee	Director Sitting fees	One Year	0.08	June 4, 2021 and March 31, 2022	NIL
87	Mr. Rajat Avasthi	Remuneration to	One Year	21.66	June 4, 2021 and March 31, 2022	NIL
88	Ms. Riddhi Parekh	Remuneration to	One Year	1.82	June 4, 2021 and March 31, 2022	NIL

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89	Mr. Manish Dhanuka	Remuneration to	One Year	6.07	June 4, 2021 and March 31, 2022	NIL
90	Tushar Kotecha	Remuneration to	One Year	2.23	June 4, 2021 and March 31, 2022	NIL
91	Girish Manik	Remuneration to	One Year	0.61	June 4, 2021 and March 31, 2022	NIL
92	Edelweiss Custodial Services Limited	Sale of Property, plant and equipment	One Time	0.00	June 4, 2021 and March 31, 2022	NIL
93	Edelweiss Insurance Brokers Limited	Sale of Property, plant and equipment	One Time	0.00	June 4, 2021 and March 31, 2022	NIL
94	Edelweiss Broking Limited	Sale of Property, plant and equipment	One Time	0.00	June 4, 2021 and March 31, 2022	NIL
95	Edelweiss Rural & Corporate Services Limited	Sale of Property, plant and equipment	One Time	0.00	June 4, 2021 and March 31, 2022	NIL

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96	Edelweiss Securities Limited	Sale of Property, plant and equipment	One Time	0.00	June 4, 2021 and March 31, 2022	NIL
97	ECL Finance Limited	Purchase of Property, plant and equipment	One Time	0.43	June 4, 2021 and March 31, 2022	NIL
98	Edelweiss Investment Advisors Limited	Purchase of Property, plant and equipment	One Time	0.00	June 4, 2021 and March 31, 2022	NIL
99	Edelweiss Retail Finance Limited	Purchase of Property, plant and equipment	One Time	0.33	June 4, 2021 and March 31, 2022	NIL
100	Edelweiss Rural & Corporate Services Limited	Purchase of Property, plant and equipment	One Time	0.07	June 4, 2021 and March 31, 2022	NIL
101	ECL Finance Limited	Advisory fees earned from	One Year	17.50	June 4, 2021 and March 31, 2022	NIL
102	Edelweiss Retail Finance Limited	Advisory fees earned from	One Year	4.30	June 4, 2021 and March 31, 2022	NIL

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103	EdelGive Foundation	CSR expenses paid to	One time	7.60	June 4, 2021 and March 31, 2022	NIL
104	Edelweiss Securities Limited	Amount paid to broker for Cash segment	One Year	237.53	June 4, 2021 and March 31, 2022	NIL
105	Edelweiss Investment Limited	Amount paid to broker for Cash segment	One Year	148.08	June 4, 2021 and March 31, 2022	NIL
106	Edelweiss Securities Limited	Amount received from broker for Cash segment	One Year	333.83	June 4, 2021 and March 31, 2022	NIL
107	Edelweiss Investment Limited	Amount received from broker for Cash segment	One Year	168.09	June 4, 2021 and March 31, 2022	NIL
108	Edelweiss Securities Limited	Margin Placed	One Year	80.00	June 4, 2021 and March 31, 2022	NIL
109	Edelweiss Investment Limited	Margin Placed	One Year	113.00	June 4, 2021 and March 31, 2022	NIL

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110	Edelweiss Securities Limited	Margin Withdrawal	One Year	86.00	June 4, 2021 and March 31, 2022	NIL
111	Edelweiss Investment Limited	Margin Withdrawal	One Year	113.00	June 4, 2021 and March 31, 2022	NIL
112	ECL Finance Limited	Non convertible debentures held by (Face value)	One Time	8.33	June 4, 2021 and March 31, 2022	NIL
113	Edelweiss Finance & Investments Limited	Non convertible debentures held by (Face value)	One Time	0.16	June 4, 2021 and March 31, 2022	NIL
114	Edelweiss Retail Finance Limited	Non convertible debentures held by (Face value)	One Time	7.47	June 4, 2021 and March 31, 2022	NIL
115	Edelweiss Tokio Life Insurance Company Limited	Non convertible debentures held by (Face value)	One Time	25.80	June 4, 2021 and March 31, 2022	NIL
116	Edel Land Limited	Interest expense accrued on Short term borrowings	One Year	0.54	June 4, 2021 and March 31, 2022	NIL

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117	Edelweiss Retail Finance Limited	Interest expense accrued on Short term borrowings	One Year	1.87	June 4, 2021 and March 31, 2022	NIL
118	Edelweiss General Insurance Company Limited	Interest Accrued on Securitisation	One Year	0.13	June 4, 2021 and March 31, 2022	NIL
119	Edelweiss Tokio Life Insurance Company Limited	Interest Accrued on Securitisation	One Year	0.70	June 4, 2021 and March 31, 2022	NIL
120	ECL Finance Limited	Interest Receivable on Short term borrowings from	One Year	7.38	June 4, 2021 and March 31, 2022	NIL
121	Edelweiss Rural & Corporate Services Limited	Interest Receivable on Short term borrowings from	One Year	9.26	June 4, 2021 and March 31, 2022	NIL
122	Edelweiss Finance & Investments Limited	Interest accrued but not due on Non convertible debentures held by	One Time	0.01	June 4, 2021 and March 31, 2022	NIL
123	Edelweiss Retail Finance Limited	Interest accrued but not due on Non convertible debentures held by	One Time	0.52	June 4, 2021 and March 31, 2022	NIL

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124	ECL Finance Limited	Interest accrued but not due on Non convertible debentures held by	One Time	0.58	June 4, 2021 and March 31, 2022	NIL
125	Edelweiss Tokio Life Insurance Company Limited	Interest accrued but not due on Non convertible debentures held by	One Time	1.81	June 4, 2021 and March 31, 2022	NIL
126	Edelweiss Financial Services Limited	Trade Payables to	One Year	4.89	June 4, 2021 and March 31, 2022	NIL
127	ECL Finance Limited	Trade Payables to	One Year	22.09	June 4, 2021 and March 31, 2022	NIL
128	Edelweiss Securities Limited	Trade Payables to	One Year	0.00	June 4, 2021 and March 31, 2022	NIL
129	Edelweiss Retail Finance Limited	Trade Payables to	One Year	6.22	June 4, 2021 and March 31, 2022	NIL
130	Edelweiss Rural & Corporate Services Limited	Trade Payables to	One Year	21.28	June 4, 2021 and March 31, 2022	NIL

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131	Edel Land Limited	Trade Payables to	One Year	2.00	June 4, 2021 and March 31, 2022	NIL
132	Edelweiss Broking Limited	Trade Payables to	One Year	0.11	June 4, 2021 and March 31, 2022	NIL
133	Edelweiss Financial Services Limited	Other Payable to	One Year	0.63	June 4, 2021 and March 31, 2022	NIL
134	ECL Finance Limited	Trade Receivables from	One Year	13.26	June 4, 2021 and March 31, 2022	NIL
135	Edelweiss Financial Services Limited	Trade Receivables from	One Year	24.46	June 4, 2021 and March 31, 2022	NIL
136	Edelweiss Retail Finance Limited	Trade Receivables from	One Year	3.68	June 4, 2021 and March 31, 2022	NIL
137	Edelweiss Custodial Services Limited	Trade Receivables from	One Year	0.02	June 4, 2021 and March 31, 2022	NIL

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138	Edelweiss Rural & Corporate Services Limited	Trade Receivables from	One Year	0.72	June 4, 2021 and March 31, 2022	NIL
139	Edelweiss Tokio Life Insurance Company Limited	Trade Receivables from	One Year	0.00	June 4, 2021 and March 31, 2022	NIL
140	Edel Land Limited	Trade Receivables from	One Year	0.57	June 4, 2021 and March 31, 2022	NIL
141	ECL Finance Limited	Other Receivable from	One Year	0.93	June 4, 2021 and March 31, 2022	NIL
142	Edelweiss Retail Finance Limited	Other Receivable from	One Year	0.08	June 4, 2021 and March 31, 2022	NIL
143	Edelweiss Rural & Corporate Services Limited	Other Receivable from	One Year	0.14	June 4, 2021 and March 31, 2022	NIL
144	EARC Trust SC 401	Investment in Security Receipts issued by	One Time	799.51	June 4, 2021 and March 31, 2022	NIL

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145	EARC Trust SC 418	Investment in Security Receipts issued by	One Time	240.95	June 4, 2021 and March 31, 2022	NIL
146	EARC Trust SC 447	Investment in Security Receipts issued by	One Time	553.31	June 4, 2021 and March 31, 2022	NIL
147	EARC Trust SC 451	Investment in Security Receipts issued by	One Time	282.02	June 4, 2021 and March 31, 2022	NIL
148	EARC Trust SC 459	Investment in Security Receipts issued by	One Time	137.19	June 4, 2021 and March 31, 2022	NIL
149	Edelweiss Financial Services Limited	Corporate Guarantee taken from	On going	1,324.40	June 4, 2021 and March 31, 2022	NIL
150	Edelweiss Rural & Corporate Services Limited	Corporate Guarantee taken from	On going	1,612.82	June 4, 2021 and March 31, 2022	NIL
151	Edel Land Limited	Corporate Guarantee taken from	On going	280.22	June 4, 2021 and March 31, 2022	NIL

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152	Edelweiss Rural & Corporate Services Limited	Corporate Guarantee Given to	On going	950.00	June 4, 2021 and March 31, 2022	NIL
153	Edelweiss Financial Services Limited	Risk and Rewards Guarantee taken from	One Year	2,208.60	June 4, 2021 and March 31, 2022	NIL

Notes -

- Sr no. 1 to 111 represent transactions during FY 2021-22 and sr no. 112 to 153 represent outstanding balance as at 31st March, 2022.
- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 - Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.

For and on behalf of the Board of Directors

Edelweiss Housing Finance Limited



Rajat Avasthi

MD & CEO

DIN: 07969623



Shilpa Gattani

Director

DIN: 05124763

Mumbai

May 6, 2022

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

**Edelweiss Housing Finance Limited**

**CIN: U65922MH2008PLC182906**

**Regd. Office: Edelweiss House Off**

**C.S.T. Road, Kalina**

**Mumbai-400098**

**Tel:- +91-22-4009 4400**

**<https://www.edelweisshousingfin.com>**

Adopted in the Board Meeting held on: August 27, 2014

Last Reviewed in the Board Meeting held on: June 4, 2021

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### **Introduction:**

Edelweiss Housing Finance Limited (EHFL) is a Housing Finance Company and a subsidiary of Edelweiss Rural and Corporate Services Limited which is subsidiary of Edelweiss Financial Services Limited (EFSL). Edelweiss Group is one of India's leading diversified financial services Group. EFSL along with its subsidiaries offers a large range of products and services spanning across asset classes and consumer segments.

Edelweiss Group is one of India's leading diversified financial services Group. Edelweiss Group's businesses are broadly divided into Credit including Retail Finance and Debt Capital Markets, Financial Markets including Asset Reconstruction and Asset Management, Commodities and Life Insurance.

### **Short title & Applicability:**

This policy is titled as the '*EHFL CSR Policy*' and it shall apply to all CSR initiatives and activities taken up by the Company for the benefit of the society.

### **CSR Philosophy and Vision Statement:**

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

### **Scope of the activities:**

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports
- viii. Contribution to the prime minister's national relief fund and/or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
- x. Rural development projects
- xi. Slum area development.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities

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

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

The Annual action plan for selection and implementation of the CSR projects covering one or more of the above list of activities will be formulated by the CSR Committee and approved Board of directions from time to time.

### **Funding & Allocation:**

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

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made thereof as amended from time to time. Any unspent/unutilized CSR allocation of a particular year for ongoing projects will be transferred to “unspent CSR account” within 30 days of the end of the financial year and utilized for the ongoing projects within a period of 3 years.

It is clarified that, the surplus arising out of CSR projects or activities shall not form part of the business profit of the Company and be ploughed back to the CSR project.

### **Implementation:**

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

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

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

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

### EdelGive Engagement:

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

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

### The EdelGive Approach:

Grants are used towards both the financial and non-financial needs of the NGO partners that EdelGive work with and support. Apart from adding capacity and scale, grants are used towards building the operating capabilities of this special cohort of NGOs. EdelGive follows four approaches to grant making:

1. EdelGive grants – EdelGive individually funds organisations and their programmes
2. Co-funding – Large funders, foundations and individuals join EdelGive in making grants
3. Pooled funding – EdelGive builds structured and transparent collaborative models for pooled funding
4. Advisory – EdelGive provides strategic counsel to organisations on grant-making

### Current sectors of Focus of EdelGive Foundation:

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

### **Monitoring:**

- i. To ensure effective implementation of the CSR programmes undertaken by EdelGive, a monitoring mechanism will be put in place.

- ii. The progress of CSR programmes undertaken will be reported by EdelGive to CSR Committee on a quarterly basis and the CSR Committee shall review the progress of activities.
- iii. EHFL shall enter into an agreement with EdelGive for the arrangement of undertaking CSR activities on its behalf.
- iv. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

### **Impact Assessment**

Impact assessment, when applicable as per the statutory regulations, will be carried out by an independent agency selected by the CSR committee.

### **Miscellaneous:**

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

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

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

## **ANNEXURE IV**

### **Policy on Related Party Transactions**

**Edelweiss Housing Finance Limited**

**CIN: U65922MH2008PLC182906**

Regd. Off: 5th Floor, Tower 3, Wing B, Kohinoor City Mall,  
Kohinoor City, Kiroil Road, Kurla(W)

Mumbai - 400070

Tel: +91 22 40863610

Website: [www.edelweisshousingfin.com](http://www.edelweisshousingfin.com)

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<b>Sr. No</b>	<b>Particulars</b>
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2.	Interpretations
3..	Definitions
4.	Identification of Related Party and Related Party Transactions
5.	Approval and review of Related Party Transactions
6.	Related Party Transactions not approved under the Policy
7.	Disclosures
8.	Policy Review

## 1. Scope and Purpose:

The Companies Act, 2013 (the Act), the rules framed thereunder as well as Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), contain detailed provisions relating to Related Party Transactions.

This Policy on Related Party Transactions (**Policy**) has been framed as per the requirements of the Regulation 23 of Listing Regulations and is intended to ensure proper approval and reporting of the concerned transactions between the Company and its Related Parties.

## 2. Interpretations

‘Applicable Law’ includes (a) the Companies Act, 2013 (the Act) including Companies (Amendment) Act, 2017 and rules made thereunder; (b) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); (c) Indian Accounting Standards; and (d) any other statute, law, standards, regulations, or other governmental instruction relating to Related Party Transactions.

## 3. Definitions

a) “Related Party” shall mean a person or entity that is related to the company as defined under Section 2(76) of the Companies Act, 2013 or under Regulation 2 (1) (zb) of the SEBI Listing Regulations or under Indian Accounting Standards 24 (Ind AS 24) - Related Party Disclosures, as may be amended from time to time.

b) “Related Party Transaction” shall mean all transactions as per Regulation 2 (1) (zc) of the SEBI Listing Regulations as may be amended from time to time.

Further, under Ind AS 24 a related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

c) “Material transaction” shall have the same meaning as given to ‘a transaction with a related party shall be considered material’ under the SEBI Listing Regulations, as may be amended from time to time. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of

the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Provided that, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the Annual Consolidated Turnover of the Company as per the last audited financial statements of the Company.

(d) “Material Modifications” means any modifications to the material related party transactions which were approved by the Audit Committee, Board or Shareholders during the year which will change the complete nature of the transaction and in case of monetary thresholds which is in excess of 10% of the originally approved transaction.

(e) “Arm’s length Transaction” shall mean those transaction to be entered by the Company on terms that are comparable to those that would be entered with unrelated parties

(f) “Ordinary Course of business” shall mean the usual transactions, customs and practices of the business of the Company and would include activities to be carried out incidental to or to facilitate the business of the Company and is usual or customary to the Company.

#### **4. Identification of Related Party and Related Party Transactions**

Each Related Party shall be identified as prescribed under Section 2(76) of the Act read with the Rules framed there under, Regulation 2(1) (zb) of the SEBI Listing Regulations and Ind AS 24, as amended from time to time. by the Company’s Secretarial department at regular intervals and reviewed atleast on an annual basis.

The Company has a framework (Annexure 1) for identification of related party transactions in accordance with Section 188 (Related party transactions) of the Act and Rules framed thereunder, and Regulation 2(1) (zc) of the SEBI Listing Regulations and Ind AS 24. The Company determines whether the transaction is in the ordinary course of business and at arm’s length basis and for this purpose, the Company may seek external professional opinion, if necessary.

The Secretarial department of the Company needs to inform any change in the list of Related Parties to the other respective departments of the Company to identify the Related Party Transactions.

## 5. Approval and review of Related Party Transactions

### A. Under the Listing Regulations;

- (i) All Related Party Transactions shall require prior approval of the Audit Committee in accordance with this Policy.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

- (ii) All material related party transactions and subsequent Material Modifications thereof shall require prior approval of the Audit Committee and Board of Directors.
- (iii) All material related party transactions and subsequent Material Modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- (iv) Where the need for related party transaction cannot be foreseen and the details thereof are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction. Actual transactions entered shall also be reported to the Audit Committee on a quarterly basis.
- (v) Information to be reviewed by the Audit Committee for approval of RPTs

The Company shall provide the following information, for review of the audit committee for approval of a proposed RPT:

- Type, material terms and particulars of the proposed transaction.
- Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- Tenure of the proposed transaction (particular tenure shall be specified);
- Value of the proposed transaction;
- The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);

- If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
  - where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments,
    - a. nature of indebtedness;
    - b. tenure;
  - applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- Justification as to why the RPT is in the interest of the listed entity;
- A copy of the valuation or other external party report, if any such report has been relied upon;
- Any other information that may be relevant

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

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

**Approval Matrix for related party transaction is, as under:**

<b>Audit Committee Approval</b>	<b>Board Approval</b>	<b>Shareholders' Approval*</b>
<ul style="list-style-type: none"> <li>All Related Party Transactions to be approved vide a resolution or covered under the Omnibus approval mechanism.</li> <li>All Material Modifications to be approved vide a resolution.</li> </ul>	<ul style="list-style-type: none"> <li>Related Party Transactions referred by Audit Committee for approval of the Board.</li> <li>All material Related Party Transactions shall be prior approved by the Board of Directors vide a resolution..</li> <li>All Material Modifications shall be prior approved by the Board of Directors vide a resolution.</li> <li>Related Party Transactions requiring prior approval of shareholders..</li> </ul>	<ul style="list-style-type: none"> <li>Approval by resolution for:               <ol style="list-style-type: none"> <li>Material Related Party Transactions</li> <li>Material Modifications</li> <li>Related Party Transactions not in Ordinary Course of Business or not on Arm's length basis and crosses threshold limit as prescribed under the Act / Regulations applicable to the Company</li> </ol> </li> </ul>

**\*Notes:**

- No related party shall vote to approve relevant shareholders resolutions.
- The requirement of shareholder' approval for all material related party transactions may not be possible if all the members are related parties. Approval of such related party transactions by the Audit Committee and Board shall be disclosed in the quarterly compliance report on Corporate Governance filed with Stock Exchange.

**B. Under the Act;**

- Further under the Act, Related Party Transactions to be entered by the Company should be on arm's length basis and in the ordinary course of business
- Specific approval of the Board of Directors is required for Related Party Transactions not in ordinary course of business under the Act.
- Transaction exceeding the threshold defined under rule 15(3) of Companies (Meeting of the Board and its Powers) Rules 2014 also require approval of the shareholders

Nothing in this Policy shall override any provisions of Applicable Law made in respect of any matter stated in this Policy.

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## **6. Related Party Transactions not approved under the Policy**

In the event of entering into a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

## **7. Disclosures**

Disclosures regarding related party transactions will be made in accordance with the Applicable Laws.

## **8. Policy Review**

This Policy is framed based on the provisions of the Listing Regulations, the Companies Act, 2013 and rules thereunder and other applicable law. In case of any subsequent changes in the provisions of the Listing Regulations or the Companies Act, 2013 and rules thereunder or other applicable law, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable laws. or at least once in every three years and updated accordingly.

## Annexure 1 – Identification of Related Party

Sr. No.	Relation	Covered under		
		Companies Act, 2013	Ind-AS 24	SEBI LODR
1	A holding company	Yes	Yes	Yes
2	Fellow subsidiaries	Yes	Yes	Yes
3	A subsidiary company /step down subsidiaries	Yes	Yes	Yes
4	An associate or joint venture of company	Yes	Yes	Yes
5	An associate or joint venture of subsidiaries	No	Yes	Yes
6	Both entities are joint ventures of the same third party	No	Yes	Yes
7	One entity is a joint venture of a third entity and the other entity is an associate of the third entity	No	Yes	Yes
8	Fellow's Step down subsidiaries	No	Yes	Yes
9	Director/ Key Managerial Personnel (“KMP”) of the Company or their relatives or Close members# of the family	Yes	Yes	Yes
10	Director or KMP of the Holding Company or their relatives or Close members of the family	Yes	Yes	Yes
11	The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.	No	Yes	Yes
12	A firm in which a director, manager or his relative is a partner	Yes	No	Yes
13	A private company in which a director or manager <u>or his relative</u> is a member or director	Yes	No	Yes
14	A public company in which a director or manager is a director and holds along with his relatives more than 2 % of its paid up share capital	Yes	No	Yes
15	Anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager	Yes	No	Yes
16	Any person on whose advice, directions or instructions a director or manager is accustomed to act*	Yes	No	Yes
17	The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.	No	Yes	Yes
18	Co-venture in respect of which the reporting enterprise is a joint venture	No	Yes	Yes

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Sr. No.	Relation	Covered under		
		Companies Act, 2013	Ind-AS 24	SEBI LODR
19	Individuals having control or significant influence (by virtue of their direct or indirect shareholding) and their relatives or close members of the family over reporting entity;	No	Yes	Yes
20	Entities over which control or joint control is exercised by parties identified at 9,10 and 19 above	No	Yes	Yes
21	Entities over which significant influence exercised or is KMP in entity or in its parent entity by person having control over an reporting entity.	No	Yes	Yes
22	Any Person or entity belonging to promoter or promoter group of the listed entity, holding 20% or more of shareholding in the listed entity	No	No	Yes

\* Will not apply to advice, directions or instructions given in a professional capacity

**Close member V/s Relatives**

# Close member is term defined in Ind AS which also include domestic partner, children of domestic partner & Dependent of domestic partner. This does not fall within definition of Relative as per Sec 2(77) of Companies Act 2013.

**Definition of Relative as per section 2(77) of the Companies Act, 2013 –**

“relative”, with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family.
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed.

**Definition of Close members as per Ind AS 24–**

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

- (a) that person’s children, spouse or domestic partner, brother, sister, father and mother;
- (b) children of that person’s spouse or domestic partner; and
- (c) dependants of that person or that person’s spouse or domestic partner.

## ANNEXURE V

### 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 & Non- executive Directors**

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

### **Remuneration of the Managing Director & Executive Directors**

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

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

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

### **Policy Review**

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

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

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

- Brief outline on CSR Policy of the Company:  
To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.
- Composition of CSR Committee as on March 31, 2022:

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year#	Number of meetings of CSR Committee attended during the year
1	Mr. Sunil Phatarphekar	Independent Director	1	1
2	Mr. Gautam Chatterjee*	Independent Director	0	0
3	Mr. Deepak Mittal	Non-Executive Director	1	1
4	Mr. Rajat Avasthi*	Managing Director & CEO	0	0

# No of meetings held during the tenure of the Member in the Committee in FY 2021-22.

\* Mr. Gautam Chatterjee and Mr. Rajat Avasthi were appointed as Members of the CSR Committee effective October 27, 2021 and August 4, 2021

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

6. Average net profit of the Company as per section 135(5): **Rs. 37.78 million**

7. (a) Two percent of average net profit of the Company as per section 135(5): **Rs. 7.6 million**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 7.6 million**

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

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

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

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

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

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

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 7.6 million**

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

Sl. No.	Particulars	Amount (in Rs. million)
(i)	Two percent of average net profit of the company as per section 135(5)	7.6
(ii)	Total amount spent for the Financial Year	7.6
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs. million).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. million)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-19*	Nil	5.00	-	-	-	-
2.	2019-20	Nil	21.94	-	-	-	-
3.	2020-21	Nil	15.79	-	-	-	-
	<b>Total</b>	<b>Nil</b>	<b>42.73</b>	-	-	-	-

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

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

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

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

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

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

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

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

**NIL**

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

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



**Rajat Avasthi**  
MD & CEO  
DIN: 07969623



**Sunil Phatarpekar**  
Director  
DIN: 00005164

**Mumbai**  
**May 6, 2022**

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**Annexure A**

S. No.	Name of CSR project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of project		Project duration (in years)	Amount allocated for the project (INR)	Amount spent in the current financial year (INR)	Amount transferred to unspent CSR account for the project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementation agency	
				State	District						Name	CSR registration no.
1	South Odisha Voluntary Organisation (SOVA)  Strengthening education system for improved learning outcomes	Education	No	Odisha	Koraput	1	56,91,543	56,91,543	-	No	EdelGive Foundation	CSR00000514
2	Project L.O.V.E. Learning Organization for Village Excellence  The Collaborators for transformation Education	Education	Yes	Maharashtra	Hingoli	1	19,08,457	19,08,457	-	No	EdelGive Foundation	CSR00000514
	<b>TOTAL</b>						<b>76,00,000</b>	<b>76,00,000</b>	-	-		

**Edelweiss Housing Finance Limited**

Corporate Identity Number: U65922MH2008PLC182906

Registered Office : Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kiro Road, Kurla (W), Mumbai - 400070 ☎ +91 22 4272 2200

✉ homeservice@edelweissfin.com @ www.edelweisshousingfin.com

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

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

To,  
The Members,  
**Edelweiss Housing Finance Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Housing Finance Limited** (CIN: U65922MH2008PLC182906) and having its registered office at Tower 3, 5<sup>th</sup> Floor, Wing B, Kohinoor City Mall, Kohinoor City, Kiro Road, Kurla (West), Mumbai-400070 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the company during the audit period**);
- (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 (**Not applicable to the company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the company during the audit period**);
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (applicable up to August 8, 2021); and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (applicable w.e.f. August 9, 2021);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 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 made applicable to Housing Finance Companies including Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, 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 as per the provisions of the Act. There were no changes in the composition of the Board of Directors that took place during the period under review.



The provisions of Regulations 16 to 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are applicable w.e.f. September 7, 2021 are applicable to the company being a "High Value Debt Listed Entity" (HVDLE) on "Comply or Explain" basis; the company has time till March 31, 2023 to achieve full compliance with the said provisions of Listing Regulations;

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, if any, are captured and recorded as part of the minutes. However, in the minutes of the meetings of Board and its Committees, for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

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

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

1. Shifted the registered office of the company and changed the place of maintenance of books of accounts and papers from Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400098' to 'Tower 3, Wing ' B', 5th Floor, Kohinoor City Mall , Kohinoor City, Kirof Road, Kurla (west), Mumbai - 400070 and;
2. Filed a prospectus dated March 29, 2022 with SEBI, ROC and stock exchange for issuance of secured, redeemable, non-convertible debentures of face value ₹ 1,000 each ("NCDs" or "debentures"), amounting to ₹ 1,500 million ("base issue size") with an option to retain over-subscription up to ₹ 1,500 million aggregating up to ₹ 3,000 million.

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

Place: Mumbai  
Date: May 6, 2022  
UDIN: F006252D000277435



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

*Mannish Ghia*

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

'Annexure A'

To,  
The Members,  
**Edelweiss Housing Finance Limited**  
Mumbai

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

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

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

*Mannish L. Ghia*

CS Mannish L. Ghia  
Partner

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



Place: Mumbai  
Date: May 6, 2022  
UDIN: F006252D000277435

**ANNEXURE VIII**

Disclosure pursuant to Section 197 (12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

No.	Disclosure Requirement	Disclosure Details		
		Directors	Title	Ratio
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. Rajat Avasthi*	Managing Director & CEO	68.05
2	Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors / KMP's</b>	<b>Title</b>	<b>% increase in remuneration</b>
		Mr. Rajat Avasthi*	Managing Director & Chief Executive Officer	117.55%
		Ms. Riddhi Parekh**	Company Secretary	-11.24%
		Mr. Manish Dhanuka***	Chief Financial Officer	42.28%
		Mr. Tushar Kotecha****	Chief Financial Officer	#
		Mr. Vinay Tripathi*****	Company Secretary	#
		Mr. Girish Manik*****	Company Secretary	#
3	Percentage increase in the median remuneration of employees in the financial year	12.42%		
4	Number of permanent employees on the rolls of Company at the end of the year	Employee on the rolls of Company as on 31 <sup>st</sup> Mach 2022 is 575		

5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the remuneration for employees other than the managerial personnel is 31.0% and for managerial personnel 57.4%.
6	Affirmations that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

*\*Appointed as Managing Director wef September 23, 2020*

*\*\*Resigned as CS wef the close of business hours on October 29, 2021*

*\*\*\*Resigned as CFO wef the close of business hours on August 31, 2021*

*\*\*\*\*Appointed as CFO wef January 28, 2022*

*\*\*\*\*\* Appointed as CS wef December 16, 2021 and Resigned wef January 31, 2022*

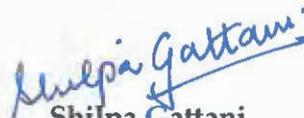
*\*\*\*\*\*Appointed as CS wef February 1, 2022*

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

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



**Rajat Avasthi**  
MD & CEO  
DIN: 07969623



**Shilpa Gattani**  
Director  
DIN: 05124763

Mumbai  
May 6, 2022

## Independent Auditors' Report

### To the Members of Edelweiss Housing Finance Limited Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **Edelweiss Housing Finance Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2022, its Profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (the '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 Ind AS financial statements.

#### Emphasis of matter

We draw your attention to Note 46.1(j) to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the company's business and financial metrics including the company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments. Our opinion as not modified in respect of this matter.

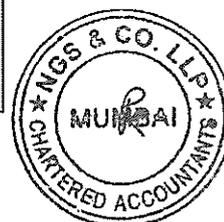
#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



Key audit matters	How our audit addressed the key audit matter
<b>Impairment of financial instruments</b> (including provision for expected credit losses) (as described in note 46.1 of the standalone Ind AS Financial Statements)	
<p>Ind AS 109: Financial Instruments (“Ind AS 109”) requires the Company to provide for impairment of its financial instruments using the expected credit loss (‘ECL’) approach involving an estimation of probability of loss on the financial instruments over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company’s loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</p> <ul style="list-style-type: none"> <li>• Defining qualitative/quantitative thresholds for ‘significant increase in credit risk’ (“SICR”) and ‘default’.</li> <li>• Estimation of losses in respect of loans or groups of loans which had no/ minimal defaults in the past.</li> <li>• Grouping of borrowers based on homogeneity by using appropriate statistical techniques.</li> <li>• Staging of loans and estimation of behavioral life.</li> <li>• Determining macro-economic factors impacting credit quality of receivables.</li> </ul> <p>The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD).</p> <p>The output of these models is then applied to the provision calculation with other information including the exposure at default (EAD).</p> <p><b>Additional considerations on account of COVID-19</b></p> <p>Measures have been taken by the Government and the Reserve Bank to ease the burden on businesses from hardships caused by Covid-19 pandemic pursuant to the Reserve Bank of India (“RBI”) circular dated August 6, 2020 for “Micro, Small and medium Enterprises (MSME) sector – Restructuring of Advances” and “Resolution Framework for COVID-19 related stress” allowing</p>	<ul style="list-style-type: none"> <li>• Our audit procedures included considering the Company’s accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 (“RBI Guidelines”).</li> <li>• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories.</li> <li>• Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.</li> <li>• Assessed the additional considerations applied by the management for staging of loans as SICR.</li> <li>• Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.</li> <li>• Performed inquiries with the Company’s management and its risk management function to assess the impact of CoVID-19 on the business activities of the Company.</li> <li>• Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic).</li> <li>• Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</li> <li>• Test checked the basis of collateral valuation in the determination of ECL provision.</li> <li>• Compared the disclosures included in the Ind AS Financial Statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the Ind AS financial statements with regards to the impact of CoVID-19 on ECL estimation.</li> </ul>



lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions.

In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonably and supportable information without incurring significant cost. The actual credit losses for the next 12 months could be significantly different than the ECL estimates prepared by the Company depending upon the impact and duration of the pandemic and various regulatory and policy measures announced by the Government.

Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.

**Other Information**

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

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

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

**Management's Responsibilities for the Ind AS Financial Statements**

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

In preparing the Ind AS financial statements, management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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



## Other Matter

The Comparative Ind AS financial statements of the Company for the year ended March 31, 2021, included in these standalone Ind AS financial Statement, have been audited by the predecessor auditor, who issued unmodified opinion on those financial statements on June 4, 2021.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiary”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
- b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No. 119850W



R. P. Soni  
Partner  
Membership No.:104796



UDIN: 22104796AINOAR5524

Place: Mumbai  
Date: 06 May 2022

**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Housing Finance Limited ('the Company') on the financial statements for the year ended March 31, 2022, we report that:**

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the title deed of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements is held in the name of the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 20(ii) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) In our opinion and according to the information and explanations given to us, Company being a non-banking financial company the provisions of clause 3(iii)(a) are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided during the year to companies, firms, Limited Liability Partnerships and other parties are not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

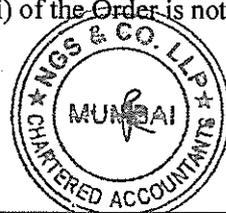


Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 10.1(a) to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 10.1(a) to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (e) Company being a Housing Financial Company the provisions of clause 3(iii)(e) are not applicable to the Company and hence not commented upon.
- (f) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantee and securities granted in respect of which the provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues, applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material 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 information and explanation given to us, there are no dues of provident fund, employee state insurance, income tax, service tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, no money has been obtained by way of term loans during the year.
- (d) In our opinion and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no fraud by the Company has been noticed or reported during the year. However, in case of fraud on the Company, the Company has identified and reported 3 criminal frauds amounting to Rs. 29.75 million where the forged documents were submitted by the borrowers.
- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor, predecessor auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.



- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company has valid Certificate of Registration (CoR) from the National Housing Bank as per the National Housing Bank Act, 1987 for conducting Housing Finance activities.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) According to the information and explanations given to us and on the basis of our examination of the records, the previous statutory auditors of the Company have resigned during the year to comply with the instruction as specified in Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by Reserve Bank of India (the "RBI Guidelines") and there were no issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios disclosed in note 53 (iii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35.2 to the financial statements.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35.2 to the financial statements.

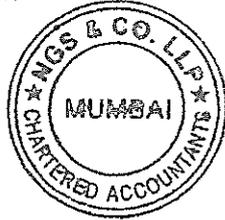


(xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No. 119850W



**R. P. Soni**  
Partner  
Membership No.:104796



UDIN: 22104796AINOAR5524

Date: 06 May 2022  
Place: Mumbai

## **Annexure B to the Auditors' Report**

**Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Housing Finance Limited ("the Company")**

**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 **Edelweiss Housing Finance Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.



## **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

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

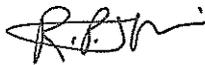
## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

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

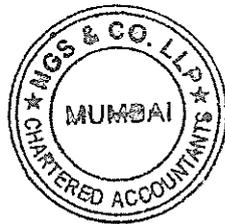
## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, 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 NGS & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No. 119850W**



**R. P. Soni**  
**Partner**  
**Membership No.:104796**



UDIN: 22104796AINOAR5524

Date: 06 May 2022  
Place: Mumbai

**Edelweiss Housing Finance Limited**  
**Balance Sheet as at March 31, 2022**  
(Currency : Indian rupees in millions)

	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6	2,929.57	9,455.81
Bank balances other than cash and cash equivalents	7	2,072.78	835.30
Securities held for trading	8	-	155.83
Trade receivables	9	56.78	104.02
Loans	10	30,964.41	35,958.59
Investments	11	2,618.06	1,600.86
Other financial assets	12	571.82	916.75
		<u>39,213.42</u>	<u>49,027.16</u>
<b>Non-financial assets</b>			
Current tax assets (net)	13	113.67	21.86
Property, plant and equipment	15	128.32	118.28
Intangible assets under development	16	17.35	7.10
Other intangible assets	16 (a)	5.11	2.27
Other non- financial assets	17	88.72	134.33
		<u>353.17</u>	<u>283.84</u>
<b>TOTAL ASSETS</b>		<u><u>39,566.59</u></u>	<u><u>49,311.00</u></u>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		5.19	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		141.32	72.28
Debt securities	19	7,935.92	11,676.75
Borrowings (other than debt securities)	20	14,485.73	22,628.38
Subordinated liabilities	21	508.63	508.61
Other financial liabilities	22	8,549.48	6,709.79
		<u>31,626.27</u>	<u>41,595.81</u>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	23	5.68	16.90
Provisions	24	43.98	37.62
Deferred tax liabilities (net)	14	71.81	9.18
Other non-financial liabilities	25	42.53	23.61
		<u>164.00</u>	<u>87.31</u>
<b>Equity</b>			
Equity share capital	26	693.50	693.50
Other equity	27	7,082.82	6,934.38
		<u>7,776.32</u>	<u>7,627.88</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>39,566.59</u></u>	<u><u>49,311.00</u></u>

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

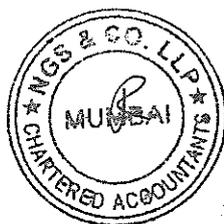
1 to 56

As per our report of even date attached.

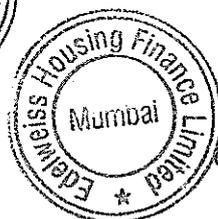
For NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number : 119850W

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

For R.P.Soni  
Partner  
Membership No. 104796



Rajat Avasthi  
MD & CEO  
DIN: 07969623



Tushar Kotecha  
Chief Financial Officer

Shilpa Gattani  
Director  
DIN: 05124763

Place : Mumbai  
Date : May 06, 2022

Girish Manik  
Company Secretary  
Membership No. A26391

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

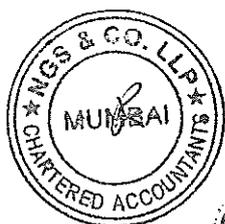
	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I. Revenue from operations</b>			
Interest income	28	4,453.13	5,026.66
Dividend income		-	1.80
Fee and commission income	29	580.70	341.46
Net gain on fair value changes	30	86.33	117.25
<b>Total Revenue from operations</b>		<b>5,120.16</b>	<b>5,487.17</b>
<b>II. Other income</b>	31	<b>18.94</b>	<b>23.37</b>
<b>III. Total Income</b>		<b>5,139.10</b>	<b>5,510.54</b>
<b>IV. Expenses</b>			
Finance costs	32	3,275.68	3,892.83
Impairment on financial instruments	33	426.39	511.40
Employee benefits expense	34	663.11	558.02
Depreciation, amortisation and impairment	15 & 16 (a)	40.16	56.40
Other expenses	35	531.94	572.61
<b>Total expenses</b>		<b>4,937.28</b>	<b>5,591.26</b>
<b>V. Profit/(Loss) before tax</b>		<b>201.82</b>	<b>(80.72)</b>
<b>VI. Tax expenses:</b>			
Current tax	36.1 & 36.2	1.15	(51.25)
Current tax		12.89	39.21
Short / (Excess) provision for earlier years		(11.74)	(90.46)
Deferred tax	36.3	62.60	(66.76)
<b>VII. Profit for the year</b>		<b>138.07</b>	<b>37.29</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / (loss) on defined benefit plans	40	0.12	(2.95)
Less: Income tax relating to items that will not be reclassified to profit or loss	36.3	(0.03)	0.74
<b>Other Comprehensive Income / (loss)</b>		<b>0.09</b>	<b>(2.21)</b>
<b>Total Comprehensive Income</b>		<b>138.16</b>	<b>35.08</b>
<b>Earnings per equity share (In Rs) (Face value of Rs. 10 each):</b>			
(a) Basic	38	1.99	0.54
(b) Diluted		1.99	0.54

The accompanying notes are an integral part of the financial statements. 1 to 56

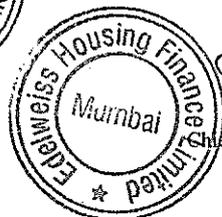
As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number : 119850W

For R.P.Soni  
Partner  
Membership No. 104796



Place : Mumbai  
Date : May 06, 2022



*Rajat Avasthi*

Rajat Avasthi  
MD & CEO  
DIN: 07969623

*Tushar Kotecha*  
Tushar Kotecha  
Chief Financial Officer

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

*Shilpa Gattani*

Shilpa Gattani  
Director  
DIN: 05124763

*Girish Manik*

Girish Manik  
Company Secretary  
Membership No. A26391

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A Cash flow from operating activities</b>		
Profit/(Loss) before tax	201.82	(80.72)
<i>Adjustments for</i>		
Depreciation, amortisation and impairment	40.16	56.40
Impairment on financial instruments	426.39	511.40
Interest on lease liabilities	12.79	14.88
ESOP and SAR cost reimbursement	4.40	-
Loss /(Gain) on sale of fixed assets	0.45	7.76
<b>Operating cash flow before working capital changes</b>	<b>686.01</b>	<b>509.72</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease/(Increase) in Receivables	45.24	(49.49)
Decrease/(Increase) in Stock in trade	155.83	(155.83)
Decrease/(Increase) in Receivables from financing business (net)	4,569.79	6,734.56
Decrease/(Increase) in Other financial assets	(886.67)	(767.81)
Decrease/(Increase) in Investments	(1,017.20)	(556.13)
Decrease/(Increase) in Other non financial assets	45.61	(80.65)
Increase / (Decrease) in Trade payables	74.23	(13.09)
Increase / (Decrease) in Non financial liabilities and provisions	25.37	(26.85)
Increase / (Decrease) in Other financial liability	(821.41)	896.52
<b>Cash flow from operations</b>	<b>2,876.80</b>	<b>6,490.95</b>
Income taxes paid (Net)	(104.18)	(52.36)
<b>Net cash generated from operating activities -A</b>	<b>2,772.62</b>	<b>6,438.59</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, plant and equipment and Intangible assets	(4.16)	(4.14)
Decrease/(Increase) in Capital Work-in-progress and Intangibles under	(14.06)	(5.65)
Sale of Property, plant and equipment	0.75	2.78
<b>Net cash generated from / (used in) investing activities - B</b>	<b>(17.47)</b>	<b>(7.01)</b>
<b>C Cash flow from financing activities</b>		
Increase / (Decrease) in Debt securities <sup>1</sup>	(3,561.85)	1,793.02
Increase / (Decrease) in Borrowings other than debt securities <sup>1</sup>	(8,171.95)	(5,360.01)
Securitization liability (including loan assigned under PCG scheme)	2,489.28	1,700.44
Repayment of lease obligations	(36.88)	(38.38)
<b>Net cash used in financing activities - C</b>	<b>(9,281.40)</b>	<b>(1,904.93)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(6,526.24)</b>	<b>4,526.65</b>
Cash and cash equivalent as at the beginning of the year (refer note 6)	9,455.81	4,929.16
Cash and cash equivalent as at the end of the year (refer note 6)	2,929.57	9,455.81
<b>Operational cash flows from interest</b>		
Interest paid	3,065.05	3,709.48
Interest received	4,010.12	4,259.83

Notes:

- 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.
- For disclosure relating to changes in liabilities arising from financing activities, refer note 37
- Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

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

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number : 119850W

For R.P.Soni  
Partner  
Membership No. 104796



Rajat Avasthi  
MD & CEO  
DIN: 07969623  
Tushar Kotecha  
Chief Financial Officer

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

Shilpa Gattani  
Shilpa Gattani  
Director  
DIN: 05124763

Girish Manik  
Girish Manik  
Company Secretary  
Membership No. A26391

Place : Mumbai  
Date : May 06, 2022

**Edelweiss Housing Finance Limited**  
**Statement of Changes in Equity for the year ended March 31, 2022**  
(Currency : Indian rupees in millions)

**(a) Equity share capital**

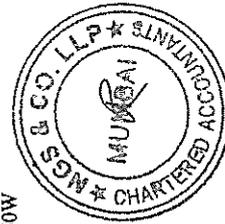
	Outstanding as on April 01, 2020	Issued during the year	Outstanding as on March 31, 2021	Issued during the year	Outstanding as on March 31, 2022
Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up)	693.50	-	693.50	-	693.50
	693.50	0.00	693.50	0.00	693.50

**(b) Other Equity**

	Securities Premium Account	Decreed capital contribution - Equity shares	Reserve under section 29C of the National Housing Bank Act, 1987	Debtore redemption reserve	Retained earnings	Total
<b>Balance at April 01, 2020</b>	4,075.18	33.46	540.34	469.25	1,879.01	6,997.24
Profit or loss	-	-	-	-	37.29	37.29
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	(2.21)	(2.21)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	35.08	35.08
Deferred tax liability created on opening Reserve under section 29C of the National Housing Bank Act, 1987	-	-	-	-	(97.94)	(97.94)
Transfers to / from retained earnings	-	-	7.46	(127.93)	120.47	-
<b>Balance at March 31, 2021</b>	4,075.18	33.46	547.80	341.32	1,936.62	6,934.38
Profit or loss	-	-	-	-	138.07	138.07
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	0.09	0.09
<b>Total Comprehensive Income for the year</b>	-	-	-	-	138.16	138.16
Transfers to / from retained earnings	-	-	27.62	(85.07)	57.45	-
Reversal of ESOPs charges on cancellation	-	-	-	-	10.28	-
<b>Balance at March 31, 2022</b>	4,075.18	33.46	575.42	256.25	2,142.51	7,082.82

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number : 119850W



*R.P.Soni*  
For R.P.Soni  
Partner  
Membership No. 104796

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

*Rajat Avasthi*  
Rajat Avasthi  
MD & CEO  
DIN: 07969623

*Shilpa Gattani*  
Shilpa Gattani  
Director  
DIN: 05124763

*Tushar Kotecha*  
Tushar Kotecha  
Chief Financial Officer



*Girish Manik*  
Girish Manik  
Company Secretary  
Membership No. A26391

## 1. Corporate Information:

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

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

## 2. Basis of preparation:

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

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

### 2.1 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding expected recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in "Note 41-Maturity Analysis of assets and liabilities".

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

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

### 2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (₹) which is the functional and the presentation currency of the Company and all values are rounded to the nearest Million, except when otherwise indicated.

## 3. Significant accounting policies

### 3.1 Recognition of Interest income and Dividend income

#### 3.1.1 Effective Interest Rate (EIR):

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

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



stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

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

### 3.1.2 Interest Income:

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

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

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

### 3.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreements and basis the probability of consideration collection.

### 3.1.4 Dividend Income

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

### 3.1.5. Other Income

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

## 3.2 Financial Instruments:

### 3.2.1 Date of recognition:

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

### 3.2.2 Initial measurement of financial instruments:

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

### 3.2.3 Classification and Measurement categories of financial assets and liabilities:

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

- Amortised cost
- Fair value through other comprehensive income [FVOCI]



- Fair value through profit or loss [FVTPL]

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

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

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

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

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

#### **Financial assets carried at amortised cost (AC)**

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

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

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

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

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

### **3.3 Financial Assets and Liabilities:**

#### **3.3.1 Financial assets held for trading:**

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

#### **3.3.2 Debt securities and other borrowed funds:**

The Company measures debt issued and other borrowed funds at 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.



### 3.3.3 Financial Guarantee:

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

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

### 3.3.4 Loan Commitments:

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

### 3.4 Reclassification of Financial assets and liabilities

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

### 3.5 Derecognition of financial Instruments:

#### 3.5.1 Derecognition of financial asset

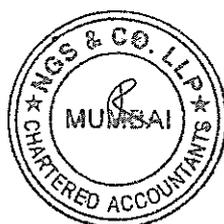
A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the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

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

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

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

- The Company has no obligation to pay 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 and has transferred control of the asset.

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

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

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

### 3.5.2 Derecognition of financial liabilities

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

### 3.6 Impairment of financial assets:

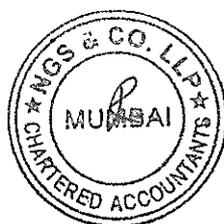
The Company records provisions based on expected credit loss model ("ECL") on all loans, other financial assets not measured at FVTPL undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

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

#### Simplified Approach

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

#### General Approach



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

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

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

Company categorises its financial assets as follows:

**Stage 1 Assets:**

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

**Stage 2 Assets:**

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

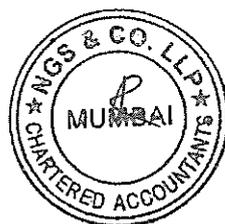
**Stage 3 Assets:**

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

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

The expected credit loss on the uncancellable loan commitment is recognised together with the loss allowance for the financial asset.

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



### 3.7 Collateral Valuation:

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

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

### 3.8 Collateral Repossessed:

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

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

### 3.9 Write-Offs:

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

### 3.10 Forborne and modified loan:

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

### 3.11 Determination of Fair Value:

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

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

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



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

**Level 1 Financial Instruments:**

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

**Level 2 Financial Instruments:**

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

**Level 3 Financial Instruments:**

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

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

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

**3.12 Leases:**

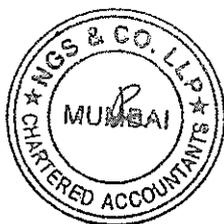
**Company as a lessee:**

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

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

**Right of Use Assets**

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



### Lease liabilities

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

### Short term lease

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

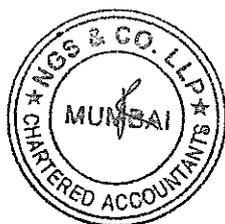
### Company as lessor:

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

### 3.13 Earnings Per Share:

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

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



### 3.14 Retirement and other employee benefit:

#### 3.14.1 Provident fund and National Pension Scheme:

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

#### 3.14.2 Gratuity:

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

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

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

#### 3.14.3 Compensated Absences:

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

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

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

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



### 3.15 Property, Plant and Equipment (PPE):

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

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

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

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

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

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

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

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

### 3.16 Intangible Assets:

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

### 3.17 Impairment of non-financial assets:

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



### 3.18 Provisions and other contingent liabilities:

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

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

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

### 3.19 Cash and cash equivalents

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

### 3.20 Income tax expenses:

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

#### 3.20.1 Current tax:

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

#### 3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent 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 it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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



### 3.20.3 Current and Deferred tax for the year:

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

## 4. Significant accounting judgements, estimates and assumptions:

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

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

### 4.1 Business model assessment:

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

### 4.2 Significant increase in credit risk:

As explained in note 46.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 46.1 for more details.

### 4.3 Key sources of estimation uncertainty:

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

### 4.4 Fair value of financial instruments:

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



#### 4.5 Effective Interest Rate (EIR) Method:

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

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

#### 4.6 Impairment of Financial assets:

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

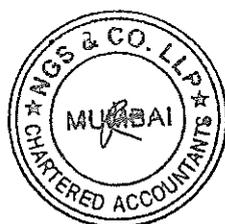
The Company's expected credit loss (ECL) calculations are output of complex model with number of underlying assumptions regarding choice of variable inputs and their interdependencies Elements of the ECL models that are considered accounting judgements and estimates include:

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

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

#### 4.7 Impairment of Non-Financial assets:

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



**4.8 Provisions and contingent liabilities:**

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

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

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

**4.9 Provisions for Income Taxes:**

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

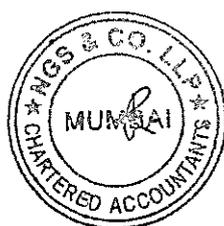
Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**4.10 Leases:**

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

**5. Standards issued but not yet effective:**

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>6 Cash and cash equivalents</b>		
Cash on hand	0.01	-
Balance with banks		
- in current accounts	2,026.12	1,972.39
- in fixed deposits with original maturity less than three	903.44	7,483.42
	<u>2,929.57</u>	<u>9,455.81</u>
<b>7 Bank balances other than cash and cash equivalents</b>		
Fixed deposits with original maturity less than 3 months	1,112.07	-
Fixed deposits with original maturity more than three months and less than 12 months	730.61	236.79
Fixed deposits with original maturity more than 12 months	230.10	598.51
	<u>2,072.78</u>	<u>835.30</u>
<b>7.A Encumbrances on fixed deposits with bank held by the Company</b>		
Given as credit enhancements towards securitisation/ assignment under partial credit guarantee scheme	910.76	762.40
Given as margin against the bank guarantee issued in favour of BSE Limited towards public issuance of non convertible debentures	-	25.62
Given as collateral against the Bank Overdrafts (refer note 39a)	1,117.00	-
<b>8 Securities held for trading</b>		
<i>At fair value through profit and loss account</i>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	Face value	Quantity
	Amount	Amount
<b>Debt Securities</b>		
0.00% Edelweiss Rural & Corporate Services Limited		
15.07.2021 Bonds	-	10,00,000
	-	72.00
<i>Total Debt securities (A)</i>	-	72.00
		90.11
<b>Equity instruments</b>		
Indian Railway Finance Corporation Limited	-	10.00
MTAR Technologies Ltd	-	17,09,857
Laxmi Organic Industries Ltd	-	4,595
Nazara Technologies Ltd	-	1,05,597
	-	2,345
<i>Total equity instruments (B)</i>	-	18,22,394
<b>Total (A+B)</b>	-	18,22,466
		155.83
<b>9 Trade receivables</b>		
Receivables considered good - non-related party	16.44	77.41
Receivables considered good - related party - (Refer note 43)	42.73	30.70
Receivables which have significant increase in credit risk	3.80	0.10
	<u>62.97</u>	<u>108.21</u>
Less : Allowance for expected credit losses	(6.19)	(4.19)
	<u>56.78</u>	<u>104.02</u>
	<u>56.78</u>	<u>104.02</u>



Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

9(a) Trade Receivables Ageing

As at March 31, 2022

Outstanding for following periods from due date of payment #

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	59.17	-	-	-	-	59.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Receivable (A)</b>	<b>59.17</b>	<b>-</b>	<b>3.76</b>	<b>0.04</b>	<b>-</b>	<b>62.97</b>
(i) Undisputed Trade receivables – considered good	2.39	-	-	-	-	2.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>ECL Provision on receivables (B)</b>	<b>2.39</b>	<b>-</b>	<b>3.76</b>	<b>0.04</b>	<b>-</b>	<b>6.19</b>
<b>Receivables net of provision = (A)-(B)</b>	<b>56.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56.78</b>

# Unbilled amount is due Rs 0.01 million.

As at March 31, 2021

Outstanding for following periods from due date of payment #

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	104.36	3.75	-	-	-	108.11
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.10	-	0.10
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	0.00
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.00
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	0.00
<b>Receivable (A)</b>	<b>104.36</b>	<b>3.75</b>	<b>0.00</b>	<b>0.10</b>	<b>0.00</b>	<b>108.21</b>
(i) Undisputed Trade receivables – considered good	2.26	1.83	-	-	-	4.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.10	-	0.10
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>ECL Provision on receivables (B)</b>	<b>2.26</b>	<b>1.83</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>4.19</b>
<b>Receivables net of provision = (A)-(B)</b>	<b>102.10</b>	<b>1.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104.02</b>

# Unbilled amount is Nil.

Reconciliation of impairment allowance on trade receivables:

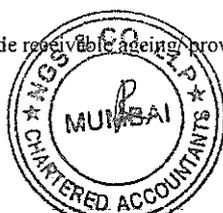
For the year ended  
March 31, 2022

For the year ended  
March 31, 2021

Impairment allowance measured as per simplified approach

Impairment allowance - Opening Balance	(4.19)	(0.26)
(Add)/less: change due to receivable balance / bucketing (net)	(2.00)	(3.93)
Impairment allowance - Closing Balance	<u>(6.19)</u>	<u>(4.19)</u>

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>10 Loans (at amortised cost)</b>		
<b>A. Term Loans</b>		
(i) Housing Loans	19,994.85	22,001.66
(ii) Non Housing Loans	11,453.87	14,451.92
<b>Total (A) - Gross</b>	<u>31,448.72</u>	<u>36,453.58</u>
Less: Impairment loss allowance	(484.31)	(494.99)
<b>Total (A) - Net</b>	<u><u>30,964.41</u></u>	<u><u>35,958.59</u></u>
<b>B. Term Loans</b>		
(i) Secured by tangible assets (Refer note 46.1.2)	31,432.08	34,937.09
(ii) Unsecured	16.64	1,516.49
<b>Total (B) - Gross</b>	<u>31,448.72</u>	<u>36,453.58</u>
Less: Impairment loss allowance	(484.31)	(494.99)
<b>Total (B) - Net</b>	<u><u>30,964.41</u></u>	<u><u>35,958.59</u></u>
<b>C. Term Loans</b>		
<b>C.I Loans in India</b>		
(i) Public Sectors	-	-
(ii) Others	31,448.72	36,453.58
<b>Total (C.I) - Gross</b>	<u>31,448.72</u>	<u>36,453.58</u>
Less: Impairment loss allowance	(484.31)	(494.99)
<b>Total (C.I) - Net</b>	<u><u>30,964.41</u></u>	<u><u>35,958.59</u></u>
<b>C.II Loans outside India</b>	-	-
Less: Impairment loss allowance	-	-
<b>Total (C.II) - Net</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Total: (C I and C II)</b>	<u><u>30,964.41</u></u>	<u><u>35,958.59</u></u>

**Notes:**

(i) The non-housing loan referred in note 10(A)(i) includes an amount of Rs. 657.66 million (previous year includes Rs. 710.08 million) being mortgage credit insurance premium payable by the obligor on housing loan.

(ii) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (previous year Nil).

(iii) Loans which are repayable on demand or without specifying any terms or period of repayment are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

Type of Borrower	As on March 31, 2022	
	Loan outstanding	% to the total outstanding Loans
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	-	0.00%
<b>Total</b>	<u><u>-</u></u>	<u><u>0.00%</u></u>

Type of Borrower	As on March 31, 2021	
	Loan outstanding	% to the total outstanding loans
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	1000.00	2.74%
<b>Total</b>	<u><u>1000.00</u></u>	<u><u>2.74%</u></u>



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**10.1. Credit Quality of Assets**

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 46.1 and policies on ECL allowances are set out in Note 3.6.

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

Particulars Loans (at amortised cost)	As at March 31, 2022				As at March 31, 2021			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Performing</b>								
High grade	27,937.60	-	-	27,937.60	30,886.26	-	-	30,886.26
Standard grade	-	2,883.82	-	2,883.82	-	4,291.50	-	4,291.50
<b>Non-performing</b>								
Impaired	-	-	627.30	627.30	-	-	1,275.82	1,275.82
<b>Total</b>	<b>27,937.60</b>	<b>2,883.82</b>	<b>627.30</b>	<b>31,448.72</b>	<b>30,886.26</b>	<b>4,291.50</b>	<b>1,275.82</b>	<b>36,453.58</b>

(i) The Company has taken necessary steps to recover the amount of all the overdue cases. All the recovery process are as per the terms mentioned in the agreement and are in compliant with RBI and NHB guidelines.

(ii) There are 417 loan accounts classified as Stage 3 (including cases classified as non-performing asset (NPA) as per RBI guidelines) having overdue amount of Rs. 119.04 million as at Mach 31, 2022.

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

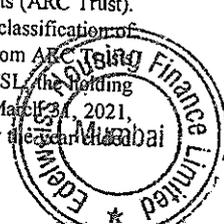
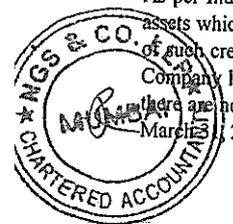
**For the year ended March 31, 2022**

Particulars	Non-credit impaired		Credit impaired		Total			
	Stage I	Stage II	Stage III	Stage III	Stage III	Stage III		
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL		
<b>Opening Balance</b>	<b>30,886.26</b>	<b>82.28</b>	<b>4,291.50</b>	<b>279.42</b>	<b>1,275.82</b>	<b>130.36</b>	<b>36,453.58</b>	<b>492.06</b>
<b>Transfers:</b>								
Transfers to 12 Month ECL (Stage 1)	1,435.00	91.64	(1,271.30)	(75.13)	(163.70)	(16.51)	-	-
Transfers to lifetime ECL (Stage 2)	(1,003.36)	(7.46)	1,050.03	12.15	(46.67)	(4.69)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(515.83)	(3.46)	(981.44)	(59.68)	1,497.27	63.13	-	(0.01)
Net remeasurement of ECL arising from transfer of stage	-	(86.61)	-	50.16	-	60.52	-	24.07
Net new and further lending/ (repayments)	(2,856.38)	13.33	(204.45)	19.57	(16.19)	68.14	(3,077.02)	101.04
<b>Amounts written off</b>								
Loans sold to assets reconstruction company	(8.09)	(0.50)	(0.52)	(0.34)	(79.32)	(12.83)	(87.93)	(13.67)
	-	-	-	-	(1,839.91)	(122.02)	(1,839.91)	(122.02)
<b>Closing balance</b>	<b>27,937.60</b>	<b>89.22</b>	<b>2,883.82</b>	<b>226.15</b>	<b>627.30</b>	<b>166.10</b>	<b>31,448.72</b>	<b>481.47</b>

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

<b>Opening Balance</b>	<b>39,941.18</b>	<b>56.36</b>	<b>2,908.64</b>	<b>237.64</b>	<b>760.57</b>	<b>110.41</b>	<b>43,610.39</b>	<b>404.41</b>
<b>Transfers:</b>								
Transfers to 12 Month ECL (Stage 1)	412.66	30.53	(376.24)	(26.57)	(36.42)	(3.96)	-	-
Transfers to lifetime ECL (Stage 2)	(2,965.61)	(6.65)	2,975.06	7.70	(9.45)	(1.05)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(884.55)	(2.05)	(1,236.14)	(113.35)	2,120.69	115.40	-	-
Net remeasurement of ECL arising from transfer of stage	-	(6.74)	-	184.87	-	34.90	-	213.03
Net new and further lending/ (repayments)	(5,611.41)	10.84	21.07	(10.31)	5.95	36.80	(5,584.41)	37.33
<b>Amounts written off</b>								
Loans sold to assets reconstruction company*	(5.94)	(0.01)	(0.88)	(0.56)	(56.15)	(33.39)	(62.97)	(33.96)
	-	-	-	-	(1,509.43)	(128.75)	(1,509.43)	(128.75)
<b>Closing balance</b>	<b>30,886.26</b>	<b>82.28</b>	<b>4,291.50</b>	<b>279.42</b>	<b>1,275.82</b>	<b>130.36</b>	<b>36,453.58</b>	<b>492.06</b>

\*The Company had initiated sale of certain credit impaired financial assets before March 31, 2021 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2021, amounted to Rs. 430.41 million to asset reconstruction companies trusts (ARC Trust). As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accentuated on account of factors caused by COVID 19. Accordingly, on account of subsequent sale to and recovery from ARC Trust, the Company has undertaken substantially all risks and rewards in respect of these financial assets aggregating to Rs. 365.84 million. As at March 31, 2021, there are no impact on the financial statements of the Company other than expected credit loss recorded in the Profit and Loss Statement for the year ended March 31, 2021 amounting to Rs. 72.94 million.



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**10.2. Credit Quality of exposure (Loan Commitment)**

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

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Loans (at amortised cost)</b>								
<b>Performing</b>								
High grade	859.47	-	-	859.47	1,257.25	-	-	1,257.25
Standard grade	-	8.50	-	8.50	-	10.02	-	10.02
<b>Non-performing</b>								
Impaired	-	-	3.94	3.94	-	-	13.99	13.99
<b>Total</b>	<b>859.47</b>	<b>8.50</b>	<b>3.94</b>	<b>871.91</b>	<b>1,257.25</b>	<b>10.02</b>	<b>13.99</b>	<b>1,281.26</b>

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

**For the year ended March 31, 2022**

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL		
As at April 01, 2021	1,257.25	0.97	10.02	0.58	13.99	1.40	1,281.26	2.95
Transfers:								
Transfers to 12 Month ECL (Stage 1)	3.71	0.29	(1.83)	(0.11)	(1.88)	(0.18)	-	-
Transfers to lifetime ECL (Stage 2)	(29.03)	(0.03)	29.03	0.03	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(18.61)	(0.01)	(0.29)	-	18.90	0.01	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	(353.85)	(0.51)	(28.43)	(0.05)	(27.07)	0.45	(409.35)	(0.11)
<b>Closing balance</b>	<b>859.47</b>	<b>0.71</b>	<b>8.50</b>	<b>0.45</b>	<b>3.94</b>	<b>1.68</b>	<b>871.91</b>	<b>2.84</b>

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

As at April 01, 2020	439.61	0.28	42.20	4.90	2.38	0.19	484.20	5.37
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(16.00)	(0.09)	16.00	0.09	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(7.61)	(0.02)	(6.34)	(0.02)	13.94	0.05	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	841.25	0.80	(41.85)	(4.39)	(2.34)	1.16	797.06	(2.43)
<b>Closing balance</b>	<b>1,257.25</b>	<b>0.97</b>	<b>10.02</b>	<b>0.58</b>	<b>13.99</b>	<b>1.40</b>	<b>1,281.26</b>	<b>2.94</b>



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**11 Investments**

As at March 31, 2022	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	2,618.06	-	2,618.06	-	2,618.06
<b>Total - Gross (A)</b>	-	-	<b>2,618.06</b>	-	<b>2,618.06</b>	-	<b>2,618.06</b>
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	2,618.06	-	2,618.06	-	2,618.06
<b>Total (B)</b>	-	-	<b>2,618.06</b>	-	<b>2,618.06</b>	-	<b>2,618.06</b>
Less: Allowance for impairment (net) (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	<b>2,618.06</b>	-	<b>2,618.06</b>	-	<b>2,618.06</b>

As at March 31, 2021	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	1,600.86	-	1,600.86	-	1,600.86
<b>Total - Gross (A)</b>	-	-	<b>1,600.86</b>	-	<b>1,600.86</b>	-	<b>1,600.86</b>
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	1,600.86	-	1,600.86	-	1,600.86
<b>Total (B)</b>	-	-	<b>1,600.86</b>	-	<b>1,600.86</b>	-	<b>1,600.86</b>
Less: Allowance for impairment net (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	-	-	<b>1,600.86</b>	-	<b>1,600.86</b>	-	<b>1,600.86</b>

Note:

- 1 During earlier years and during the year ended March 31, 2022, the Company sold financial assets amounting to Rs. 2,046.78 million (net of losses) and Rs. 1,925.70 million (net of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 1,636.40 million and Rs. 1,636.93 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. EFSL, the holding company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were derecognised in Company's financial statements.



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**11.1 Investments**

	As at March 31, 2022			As at March 31, 2021		
	Face value	Quantity	Amount	Face value	Quantity	Amount
<b>Security Receipts</b>						
EARC Trust SC 401	814.37	9,81,750	796.80	948.94	9,81,750	931.62
EARC Trust SC 378	-	-	-	906.74	22,780	20.66
EARC Trust SC 374	-	-	-	916.54	63,107	57.84
EARC Trust SC 418	881.99	2,73,190	240.95	-	-	-
EARC Trust SC 447	977.12	5,66,270	553.31	-	-	-
EARC Trust SC 451	957.87	2,94,440	282.02	-	-	-
EARC Trust SC 459	1,000.00	1,37,100	137.10	-	-	-
Omkara PS33/2020-21 Trust	1,000.00	5,85,378	607.88	1,000.00	5,90,750	590.75
Total			<u>2,618.06</u>			<u>1,600.86</u>



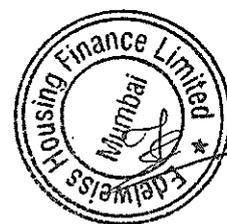
**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>12 Other financial assets</b> (unsecured, considered good)		
Security Deposits	21.67	205.33
Deposits placed with/exchange/depositories	-	30.00
Advances to others	550.15	681.42
	<u>571.82</u>	<u>916.75</u>
<b>13 Current tax assets (net)</b>		
Advance income taxes (net of provision for tax Rs. 575.26 million, previous year Rs. 337.65 million)	113.67	21.86
	<u>113.67</u>	<u>21.86</u>
<b>14 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<u>Loans</u>		
Provision for Expected credit loss	122.77	136.84
Effective Interest Rate on financials assets	6.65	6.12
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax WDV (Net) (including intangibles)	11.48	11.26
<u>Employee benefit obligations</u>		
Provision for compensated absences	2.16	1.24
Disallowances under section 43B of the Income Tax Act, 1961	8.86	18.25
<u>Lease liability</u>	30.09	30.59
Others	-	32.40
	<u>182.01</u>	<u>236.70</u>
<b>Deferred tax liabilities</b>		
<u>Investments and other financial instruments</u>		
Unamortised excess interest spread on loan assignment	113.39	107.87
Interest Receivable on Stage 3 (On transition to Ind AS)	1.35	1.87
<u>Borrowings</u>		
Effective interest rate on financial liabilities	9.92	13.52
Right-of-use Asset (ROU)	28.14	23.92
Special Reserve u/s 36(1) (viii)	101.02	98.70
	<u>253.82</u>	<u>245.88</u>
	<u>(71.81)</u>	<u>(9.18)</u>

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



Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

15 Property, Plant and Equipment

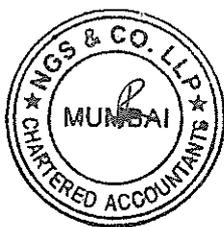
Description of Assets	Gross Block				Accumulated Depreciation, amortisation and Impairment				Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Land*	1.21	-	-	1.21	-	-	-	-	1.21
Leasehold improvements	18.08	2.09	2.12	18.05	10.70	4.26	1.99	12.97	5.08
Furniture and Fixtures	8.65	0.93	1.15	8.43	4.35	1.16	0.92	4.59	3.84
Vehicles	0.32	-	0.32	-	0.23	-	0.23	-	-
Office equipment	11.01	0.47	1.43	10.05	8.15	1.27	1.28	8.14	1.91
Computers	58.85	0.28	15.84	43.29	51.50	2.60	15.24	38.86	4.43
Right-of-use Asset (ROU) (refer note 44)	161.42	51.58	6.24	206.76	66.33	29.51	0.93	94.91	111.85
<b>Total</b>	<b>259.54</b>	<b>55.35</b>	<b>27.10</b>	<b>287.79</b>	<b>141.26</b>	<b>38.80</b>	<b>20.59</b>	<b>159.47</b>	<b>128.32</b>

\*Charged against secured redeemable non-convertible debentures

Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block				Accumulated Depreciation, amortisation and Impairment				Net Block
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Land*	1.21	-	-	1.21	-	-	-	-	1.21
Leasehold improvements	29.87	-	11.79	18.08	12.05	5.15	6.50	10.70	7.38
Furniture and Fixtures	14.60	1.37	7.32	8.65	6.59	2.06	4.30	4.35	4.30
Vehicles	0.32	-	-	0.32	0.23	-	-	0.23	0.09
Office equipment	18.47	0.18	7.64	11.01	11.35	2.85	6.05	8.15	2.86
Computers	62.39	0.81	4.35	58.85	47.77	7.44	3.71	51.50	7.35
Right-of-use Asset (ROU) (refer note 44)	196.18	19.56	54.32	161.42	41.22	35.93	10.82	66.33	95.09
<b>Total</b>	<b>323.04</b>	<b>21.92</b>	<b>85.42</b>	<b>259.54</b>	<b>119.21</b>	<b>53.43</b>	<b>31.38</b>	<b>141.26</b>	<b>118.28</b>

\*Charged against secured redeemable non-convertible debentures



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**16 Intangible Assets Under Development**

Intangible Assets Under Development Ageing as at March 31, 2022

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in progress	13.13	4.22	-	-	17.35
<b>Total</b>	<b>13.13</b>	<b>4.22</b>	<b>-</b>	<b>-</b>	<b>17.35</b>

Intangible Assets Under Development Ageing as at March 31, 2021

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in progress	5.65	1.45	-	-	7.10
<b>Total</b>	<b>5.65</b>	<b>1.45</b>	<b>-</b>	<b>-</b>	<b>7.10</b>

**16 (a) Other Intangible Assets**

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Other Intangible Assets									
Software	15.95	4.20	0.09	20.06	13.68	1.36	0.09	14.95	5.11
<b>Total</b>	<b>15.95</b>	<b>4.20</b>	<b>0.09</b>	<b>20.06</b>	<b>13.68</b>	<b>1.36</b>	<b>0.09</b>	<b>14.95</b>	<b>5.11</b>

Other Intangible Assets (Previous Year)

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Other Intangible Assets									
Software	14.17	1.78	-	15.95	10.71	2.97	-	13.68	2.27
<b>Total</b>	<b>14.17</b>	<b>1.78</b>	<b>-</b>	<b>15.95</b>	<b>10.71</b>	<b>2.97</b>	<b>-</b>	<b>13.68</b>	<b>2.27</b>



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>17 Other non-financial assets</b>		
Input tax credit (Goods and Services Tax)	19.53	65.99
Prepaid expenses	21.40	47.63
Advance to vendors	44.91	4.90
Advances to employees	2.88	2.22
Advances recoverable	-	13.59
	<u>88.72</u>	<u>134.33</u>
<b>18 Trade Payables</b>		
Trade payables to non-related parties	89.93	51.63
Trade payables to related parties - (Refer note -43)	56.58	20.65
	<u>146.51</u>	<u>72.28</u>

18.1. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year	5.14	-
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.05	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of interest accrued and remaining unpaid at the year end	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

**18.2. Trade Payable Ageing**

Particulars	Outstanding from March 31, 2022 #				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
	(i) MSME	5.19	-	-	
(ii) Others	138.10	0.81	1.76	0.65	141.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<u>143.29</u>	<u>0.81</u>	<u>1.76</u>	<u>0.65</u>	<u>146.51</u>

Unbilled amount is Rs 80.35 million

Particulars	Outstanding from March 31, 2021 #				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
	(i) MSME	-	-	-	
(ii) Others	67.85	3.46	0.34	0.63	72.28
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<u>67.85</u>	<u>3.46</u>	<u>0.34</u>	<u>0.63</u>	<u>72.28</u>

Unbilled amount is Rs 42.96 million.

**19 Debt securities (In India)**

(At amortised cost)

Non-convertible redeemable debentures (Secured)		
Privately Placed Non-convertible debentures	4,194.21	7,258.15
Publicly Placed Non-convertible debentures	3,741.71	4,418.60
	<u>7,935.92</u>	<u>11,676.75</u>

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



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

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>20 Borrowings other than debt securities (In India)</b> (At amortised cost)		
<b>Term loans (secured)</b>		
- From Banks	11,897.48	18,738.53
- From National Housing Bank	1,324.40	2,540.58
	13,221.88	21,279.11
Note: For disclosure relating to repayment and other terms, refer note 49		
<b>Bank overdraft (secured)</b>	61.44	149.27
[Secured by charge on receivables from financing business] Bank overdraft is in nature of Committed Cash Credit lines repayable on demand. (Interest rate range, March-22: 8.50% - 10.25%, March-21: 8.50% - 10.25%)		
<b>Working capital demand loan (WCDL)</b>	1,200.00	1,200.00
[Secured by charge on receivables from financing business] WCDL is in nature of short term loan. (Interest rate range, March-22: 7.75% - 9.70%, March-21: 8.50% - 10.25%)		
<b>Loan from related parties (Unsecured)</b>	2.41	-
(Interest rate payable @ 11.46% - 14.30%, previous year 11.00% - 12.25%)		
	14,485.73	22,628.38
Notes:-		
(i) Company has not declared wilful defaulter by any bank or financial Institution or other lender.		
(ii) All the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.		
<b>21 Subordinated liabilities (In India)</b> (At amortised cost)		
Non-convertible subordinated debentures (Unsecured)	508.63	508.61
	508.63	508.61
Note: For disclosure relating to repayment and other terms, refer note 51		
<b>22 Other financial liabilities</b>		
Securitisation liability (including loan assigned under PCG <sup>*</sup> scheme)	7,769.69	5,266.66
Investor payable on account of assigned loans	342.99	399.26
Other payables	159.75	336.88
Book overdraft	44.18	542.18
Payable to employees	93.55	43.27
Lease liabilities (Refer note 44)	139.32	121.54
	8,549.48	6,709.79
* Partial Credit Guarantee Scheme		



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

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>23 Current tax liabilities (net)</b>		
Provision for taxation (net of advance tax Rs. 619.93 million, previous year Rs. 848.52 million)	5.68	16.90
	<u>5.68</u>	<u>16.90</u>
<b>24 Provisions</b>		
Provision for employee benefits (Refer note 40)		
Gratuity	35.19	32.51
Compensated leave absences	8.57	4.94
Provision for expenses	0.22	0.17
	<u>43.98</u>	<u>37.62</u>
<b>25 Other non-financial liabilities</b>		
Revenue received in advance	0.66	1.81
Payable to others	17.65	1.01
Statutory dues payable	24.22	20.79
	<u>42.53</u>	<u>23.61</u>



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

	As at March 31, 2022	As at March 31, 2021
<b>26 Equity share capital</b>		
<b>Authorised :</b>		
7,50,00,000 (Previous year: 7,50,00,000) equity shares of Rs.10 each	750.00	750.00
	<u>750.00</u>	<u>750.00</u>
<b>Issued, Subscribed and Paid up:</b>		
6,93,50,000 (Previous year: 6,93,50,000) Equity shares of Rs. 10, fully paid-up	693.50	693.50
	<u>693.50</u>	<u>693.50</u>

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

	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	6,93,50,000	693.50	6,93,50,000	693.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>6,93,50,000</u>	<u>693.50</u>	<u>6,93,50,000</u>	<u>693.50</u>

(b) **Terms/rights attached to equity shares :**

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

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

	As at March 31, 2022		As at March 31, 2021	
	No of shares	%	No of shares	%
<b>Ultimate Holding / Holding company</b>				
Edelweiss Financial Services Limited (EFSL), the ultimate holding company	34,69,775	5.00%	2,10,50,000	30.35%
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	3,83,00,000	55.23%
<b>Fellow subsidiaries</b>				
Edel Finance Company Limited	2,75,80,225	39.77%	1,00,00,000	14.42%
	<u>6,93,50,000</u>	<u>100.00%</u>	<u>6,93,50,000</u>	<u>100.00%</u>

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

(e) **Shares held by promoters at the end of the financial year March 31, 2022**

Promoter Name	As at March 31, 2022		
	No. of Shares	% of total shares	%change during the year
<b>Ultimate Holding / Holding company</b>			
Edelweiss Financial Services Limited*, the ultimate holding company	34,69,775	5.00%	-25.35%
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	No change
<b>Fellow subsidiaries</b>			
Edel Finance Company Limited*	2,75,80,225	39.77%	25.35%
<b>Total</b>	<u>6,93,50,000</u>	<u>100.00%</u>	

\*On August 6, 2021 EFSL has transferred 17,580,225 equity shares of the Company to Edel Finance Company Limited

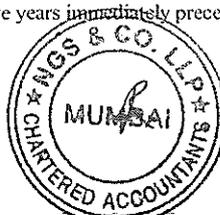
**Shares held by promoters at the end of the financial year March 31, 2021**

Promoter Name	As at March 31, 2021		%change during the year
	No. of Shares	% of total shares	
<b>Ultimate Holding / Holding company</b>			
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	
Edelweiss Financial Services Limited, the ultimate holding company	2,10,50,000	30.35%	No Change
<b>Fellow subsidiaries</b>			
Edel Finance Company Limited	1,00,00,000	14.42%	
<b>Total</b>	<u>6,93,50,000</u>	<u>100.00%</u>	

(f) No bonus shares have been issued by the Company during five years immediately preceding the Balance Sheet date.

(g) No shares have been bought back by the Company during the five years immediately preceding the current year.

(h) There are no securities that are convertible into Equity Shares.



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

27 Other Equity	As at March 31, 2022	As at March 31, 2021
Securities Premium	4,075.18	4,075.18
Statutory Reserve	575.42	547.80
Debenture Redemption Reserve	256.25	341.32
Deemed capital contribution - Equity	33.46	33.46
Retained Earnings	2,142.51	1,936.62
	<u>7,082.82</u>	<u>6,934.38</u>

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

**27.1 Nature and purpose of Reserves**

**(a) Securities Premium**

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

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

Reserve created under section 29C of National Housing Bank Act, 1987 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**(c) Debenture Redemption Reserve**

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being Housing Finance Company (HFC) 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 (including HFC) regulated by Reserve Bank of India for both public as well as privately placed debentures.

**(d) Deemed capital contribution - Equity**

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

**(e) Retained Earnings**

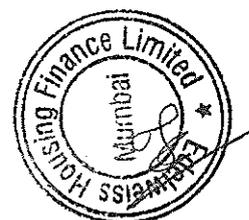
Retained earnings comprises of the Company's undistributed earnings after taxes.



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

(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>28 Interest Income (at amortised cost)</b>		
Interest on Loans	4,030.38	4,451.55
Interest income from securities held for trading/Investment	13.21	38.92
Interest on term deposits with bank	108.24	170.18
Other interest income	25.97	21.93
Income on direct assignment	275.33	344.08
	<u>4,453.13</u>	<u>5,026.66</u>
<b>29 Fee and commission income</b>		
Fee and commission income	580.70	341.46
	<u>580.70</u>	<u>341.46</u>
<b>30 Net gain on fair value changes</b>		
(a) <b>On trading portfolio</b>		
Gain on buy back of debt securities (amortised cost)	6.30	61.58
Profit on sale of mutual fund units (FVTPL)	19.14	22.32
Profit on sale of equity shares (FVTPL)	49.66	9.46
Profit/(Loss) on sale of debt instruments (FVTPL)	(8.54)	23.89
(b) <b>Investments</b>		
Fair Value Gain / (Loss) on Security Receipts (FVTPL)	19.77	-
	<u>86.33</u>	<u>117.25</u>
<b>31 Other income</b>		
Other non operating income	18.94	23.37
	<u>18.94</u>	<u>23.37</u>



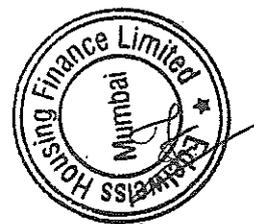
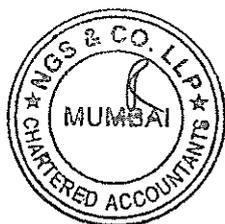
**Edelweiss Housing Finance Limited***Notes to the financial statements for the year ended March 31, 2022 (Continued)*

(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>32 Finance costs (at amortised cost)</b>		
Interest on borrowings	1,679.51	2,475.41
Interest on Securitisation liabilities (Including loan assigned under PCG scheme)	436.88	270.35
Interest on debt securities	1,065.51	1,054.47
Interest on subordinated liabilities	56.27	56.25
Other interest expense (including bank charges)	24.72	21.47
Interest on lease liabilities	12.79	14.88
	<u>3,275.68</u>	<u>3,892.83</u>
<b>33 Impairment on financial instruments</b>		
Loss on sale of loan assets sold to assets reconstruction company	347.14	359.27
Bad debts and advances written off	87.93	62.97
Provision for expected credit loss (at amortised cost) (including on loan commitments)	(8.68)	89.16
	<u>426.39</u>	<u>511.40</u>
<b>34 Employee benefit expenses</b>		
Salaries and wages	609.55	514.63
Contribution to provident and other funds	19.40	19.77
Gratuity Expense (refer note 40)	7.38	6.75
ESOP and SAR (Refer note below)	4.40	(0.90)
Staff welfare expenses	22.38	17.77
	<u>663.11</u>	<u>558.02</u>

Note:

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>35 Other expenses</b>		
Advertisement and business promotion	0.14	0.08
Commission and brokerage	0.54	0.23
Communication	3.91	6.10
Directors' sitting fees	0.82	0.78
Legal and professional fees	110.28	134.55
Printing and stationery	3.88	4.40
Loan origination costs amortised	112.69	125.22
Rent, rates and taxes	99.75	63.30
Repairs and maintenance	5.93	4.67
Electricity charges	7.00	6.15
Computer expenses	28.45	20.84
Corporate social responsibility (refer note 35.2)	7.60	15.79
Rating support fees	7.70	8.81
Office expenses	46.48	79.02
Postage and courier	3.61	1.94
Goods and Service tax expenses	51.52	60.92
Stamp duty	11.60	14.15
Auditors' remuneration (refer note 35.1)	6.93	6.98
Travelling and conveyance	17.55	6.87
Miscellaneous expenses	5.56	11.81
	<b>531.94</b>	<b>572.61</b>
<b>35.1 Auditors' remuneration:</b>		
<b>As an Auditor</b>		
Statutory Audit	2.00	2.50
Limited Review	2.60	1.50
Certification	2.29	2.88
Towards reimbursement of expenses	0.04	0.10
	<b>6.93</b>	<b>6.98</b>
<b>35.2 Details of CSR Expenditure:</b>		
As per the provisions of Section 135 of Companies Act 2013.		
a) Amount required to be spent by the Company	7.60	15.79
b) Amount of expenditure incurred		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	7.60	15.79
c) shortfall at the end of the year		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	-	-
d) Total of previous years shortfall,	-	-
e) Reason for shortfall,	Not Applicable	Not Applicable
f) Details of related party transactions (Refer note 43 )		
Name of Related Party	EdelGive Foundation	
Relationship	Fellow Subsidiary	
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-
h) Nature of CSR activities		
<b>For the year ended March 31, 2022 and March 31, 2021</b>		
Education Working to enhance child learning through work with system and community and support to the development of contextual literature for children		



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**36 Income tax**

**36.1 The components of income tax expense:**

	For the period ended March 31, 2022	For the year ended March 31, 2021
Current tax	12.89	39.21
Short / (Excess) provision for earlier years	(11.74)	(90.46)
Deferred tax relating of items between book and tax profits	62.60	(66.76)
<b>Total tax charge</b>	<b>63.75</b>	<b>(118.01)</b>
Current tax	1.15	(51.25)
Deferred tax	62.60	(66.76)

**36.2 Reconciliation of total tax charge**

Accounting profit before tax as per financial statements	201.82	(80.72)
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	50.79	(20.32)
Adjustment in respect of current income tax of prior years	(11.74)	(90.46)
<b>Effect of income not subject to tax:</b>		
Tax break of deduction u/s 36(1)(viii) of Income tax Act, 1961	-	(0.76)
Income on closure of leases	(1.11)	(3.43)
Adjustment on account of Valuation of Securities (ICDS)	0.79	(0.79)
Deduction u/s 35D of Income tax Act, 1961	(0.08)	(0.08)
Contribution towards Corporate Social Responsibility	1.91	3.97
ESOP and SAR cost reimbursement	0.75	(0.53)
<b>Effect of non-deductible expenses:</b>		
Penalties	-	-
Others	22.44	(5.62)
Impact of tax rate changes (between two accounting periods)	-	-
<b>Tax charge for the year recorded in P&amp;L</b>	<b>63.75</b>	<b>(118.01)</b>
<b>Effective tax rate</b>	<b>31.59%</b>	<b>146.20%</b>



Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

36 Income tax

36.3 Movement of Deferred Tax assets / (liabilities)

For the Year Ended March 31, 2022

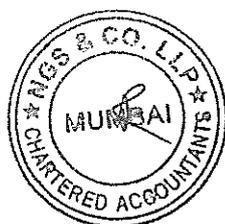
	Deferred tax asset / (liability) (Opening)	In profit or loss	In OCI	Directly in equity	Total movement	Deferred tax asset / (liability) (Closing)
<b>Deferred taxes in relation to:</b>						
<b>Deferred Tax Assets</b>						
<u>Loans</u>						
Provision for Expected credit loss	136.84	(14.07)	-	-	(14.07)	122.77
Effective interest rate on financial assets	6.12	0.53	-	-	0.53	6.65
<u>Employee benefit obligations</u>						
Provision for compensated absences	1.24	0.92	-	-	0.92	2.16
Disallowances under section 43B of the Income Tax Act, 1961	18.25	(9.36)	(0.03)	-	(9.39)	8.86
<u>Property, plant and equipment and intangibles</u>						
Difference between book and tax WDV (including intangibles)	11.26	0.22	-	-	0.22	11.48
Lease liability	30.59	(0.50)	-	-	(0.50)	30.09
Others	32.40	(32.40)	-	-	(32.40)	-
<b>Deferred Tax Liabilities</b>						
<u>Investments and other financial instruments</u>						
Unamortised excess interest spread on loan assignment	(107.87)	(5.52)	-	-	(5.52)	(113.39)
Interest Receivable on Stage 3 (Prior to transition)	(1.87)	0.52	-	-	0.52	(1.35)
<u>Borrowings</u>						
Effective interest rate on financial Liabilities	(13.52)	3.60	-	-	3.60	(9.92)
Right-of-use Asset (ROU)	(23.92)	(4.22)	-	-	(4.22)	(28.14)
Special Reserve u/s 36 (I) (viii)	(98.70)	(2.32)	-	-	(2.32)	(101.02)
<b>Total</b>	<b>(9.18)</b>	<b>(62.60)</b>	<b>(0.03)</b>	<b>-</b>	<b>(62.63)</b>	<b>(71.81)</b>

For the Year Ended March 31, 2021

Deferred taxes in relation to:

Deferred Tax Assets

Provision for expected credit loss	100.55	36.29	-	-	36.29	136.84
Effective interest rate on financial assets	4.80	1.32	-	-	1.32	6.12
<u>Employee benefit obligations</u>						
Provision for compensated absences	0.96	(0.46)	0.74	-	0.28	1.24
Disallowances under section 43B of the Income Tax Act, 1961	5.12	13.13	-	-	13.13	18.25
intangibles)	9.46	1.80	-	-	1.80	11.26
Lease liability	45.96	(15.37)	-	-	(15.37)	30.59
Others	0.07	32.33	-	-	32.33	32.40
<u>Deferred Tax Liabilities</u>						
<u>Investments and other financial instruments</u>						
Unamortised excess interest spread on loan assignment	(83.13)	(24.74)	-	-	(24.74)	(107.87)
Interest Receivable on Stage 3 (On transition to Ind AS)	(6.18)	4.31	-	-	4.31	(1.87)
Effective interest rate on financial Liabilities	(17.36)	3.84	-	-	3.84	(13.52)
Right-of-use Asset (ROU)	(39.00)	15.07	-	-	15.07	(23.92)
Special Reserve u/s 36 (I) (viii)	-	(0.76)	-	(97.94)	(98.70)	(98.70)
<b>Total</b>	<b>21.25</b>	<b>66.76</b>	<b>0.74</b>	<b>(97.94)</b>	<b>(30.44)</b>	<b>(9.18)</b>



**Edelweiss Housing Finance Limited**

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

(Currency: Indian rupees in million)

**37 Cash Flow Disclosure**

**Change in Liabilities arising from financing activities**

Particulars	As at March 31, 2021	Cash Flows	Changes in Fair value	Others*	As at March 31, 2022
Debt Securities	11,676.75	(3,561.85)	-	(178.98)	7,935.92
Borrowings other than Debt Securities	22,628.38	(8,171.95)	-	29.30	14,485.73
Subordinated Liabilities	508.61	-	-	0.02	508.63
Securitization liability (including loan assigned under PCG scheme)	5,266.66	2,489.28	-	13.75	7,769.69
	<b>40,080.40</b>	<b>(9,244.52)</b>	<b>-</b>	<b>(135.91)</b>	<b>30,699.97</b>

Particulars	As at March 31, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	10,091.57	1,793.02	-	(207.84)	11,676.75
Borrowings other than Debt Securities	27,992.02	(5,360.01)	-	(3.63)	22,628.38
Subordinated Liabilities	508.61	-	-	-	508.61
Securitization liability (including loan assigned under PCG scheme)	3,554.54	1,700.44	-	11.68	5,266.66
	<b>42,146.74</b>	<b>(1,866.55)</b>	<b>-</b>	<b>(199.79)</b>	<b>40,080.40</b>

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



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

(Currency : Indian rupees in millions)

**38. Earnings per Share**

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit attributable to Equity holders of the Company - A	138.07	37.29
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	6,93,50,000	6,93,50,000
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	6,93,50,000	6,93,50,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	6,93,50,000	6,93,50,000
Nominal value of equity shares (in rupees)	10.00	10.00
Basic and diluted earnings per share (in rupees) (A/B)	1.99	0.54

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

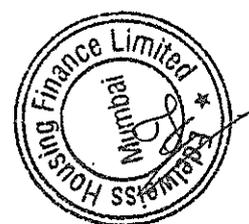
**39. Contingent Liability and Commitment:****(a) Contingent Liability**

	As at March 31, 2022	As at March 31, 2021
Taxation matters	Nil	Nil
Litigation pending against the company	Nil	Nil
Corporate guarantee not acknowledged as debt	950.00	Nil

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

**(b) Commitment:**

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	10.52	8.05
Loan sanctioned pending disbursements	871.91	1,281.26



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**40 Retirement and other employee benefits**

**(a) Defined contribution plan - Provident funds**

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

The Company recognised Rs. 25.30 millions (March 31, 2021 : Rs 25.04 millions) for provident fund in the Statement of profit and loss.

**(b) Defined benefit plan - Gratuity**

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) for gratuity are carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit

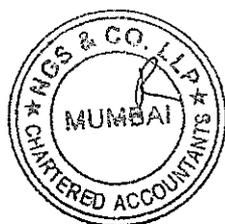
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date

	As at March 31, 2022	As at March 31, 2021
<b>Present value of defined benefit obligations</b>		
(A)	35.20	32.51
Fair Value of plan assets (B)	-	-
Present value of defined benefit obligations (A-B)	35.20	32.51
Net deficit / (assets) are analysed as:		
<b>Liabilities</b>	35.20	32.51
<b>Assets</b>	-	-

**Movement in net defined benefit (asset) liability:**

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

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Present value of defined benefit obligations</b>						
(i) (opening)	32.51	20.34	-	-	32.51	20.34
Current service cost	5.70	5.24	-	-	5.70	5.24
Past service cost	-	-	-	-	-	-
Interest cost	1.68	1.50	-	-	1.68	1.50
	39.89	27.08	-	-	39.89	27.08
(ii) <b>Other comprehensive Income</b>						
Remeasurement Actuarial loss (gain) arising from :						
Experience	(0.69)	0.36	-	-	(0.69)	0.36
Financial and demographic assumptions	0.57	2.59	-	-	0.57	2.59
Expected return from plan assets	-	-	-	-	-	-
	(0.12)	2.95	-	-	(0.12)	2.95
(iii) <b>Others</b>						
Transfer In/ (Out)	1.15	6.99	-	-	1.15	6.99
Contributions by Employer	-	-	-	-	-	-
Benefits paid	(5.73)	(4.51)	-	-	(5.73)	(4.51)
	(4.58)	2.48	-	-	(4.58)	2.48
(iv) <b>Closing Balance (i) + (ii) + (iii)</b>	35.20	32.51	-	-	35.20	32.51
Represented by:						
Net defined benefit asset					-	-
Net defined benefit liability					35.20	32.51



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**40 Retirement and other employee benefits**

**Components of defined benefit plan cost:**

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(i) Recognised in Statement of profit or loss</b>		
Current service cost	5.70	5.24
Interest cost	1.68	1.50
Expected return on plan assets	-	-
Past service cost	-	-
	7.38	6.74
<b>(ii) Recognised in other comprehensive income</b>		
Remeasurement of net defined benefit liability/(asset)	(0.12)	2.95
Return on plan assets excluding net interest	-	-
	(0.12)	2.95
<b>Total (i) + (ii)</b>	7.26	9.69

**Actuarial assumptions:**

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

	As at March 31, 2022	As at March 31, 2021
Discount Rate	5.90%	5.00%
Salary Growth Rate	7.00%	7.00%
Withdrawal/Attrition Rate (based on categories)	16.00%	25.00%
Interest Rate on Net DBO/ (Asset)	5.00%	5.50%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14(Ultimate)
Expected weighted average remaining working lives of employees	4 Years	3 Years

**Sensitivity analysis:**

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	1.84	(1.69)	1.31	(1.23)
Discount Rate (+/- 1%)	(1.69)	1.88	(1.24)	1.34
Withdrawal Rate (+/- 1%)	(0.10)	0.10	(0.10)	0.11
Mortality (increase in expected lifetime by 1 year)	2		2	
Mortality (increase in expected lifetime by 3 year)	6		5	

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

**Asset liability comparisons:**

	As at March 31, 2022	As at March 31, 2021
Present value of DBO	35.20	32.51
Fair Value of Plan assets	-	-
Net (Assets)/Liability	35.20	32.51

**(c) Compensated absences :**

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



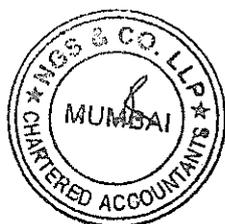
**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**41. Maturity Analysis of assets and liabilities**

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and cash equivalents	2,929.57	-	2,929.57	9,455.81	-	9,455.81
Bank balances other than cash and cash equivalents	2,052.17	20.61	2,072.78	817.99	17.31	835.30
Securities held for trading	-	-	-	155.83	-	155.83
Trade receivables	56.78	-	56.78	104.02	-	104.02
Loans	8,037.00	22,927.41	30,964.41	7,963.09	27,995.50	35,958.59
Investments	319.70	2,298.36	2,618.06	-	1,600.86	1,600.86
Other financial assets	255.36	316.46	571.82	520.91	395.84	916.75
<b>Non-financial assets</b>						
Current tax assets (net)	-	113.67	113.67	-	21.86	21.86
Property, plant and equipment	-	128.32	128.32	-	118.28	118.28
Intangible assets under development	-	17.35	17.35	-	7.10	7.10
Other intangible assets	-	5.11	5.11	-	2.27	2.27
Other non- financial assets	88.72	-	88.72	134.33	-	134.33
<b>Total Assets</b>	<b>13,739.30</b>	<b>25,827.29</b>	<b>39,566.59</b>	<b>19,151.98</b>	<b>30,159.02</b>	<b>49,311.00</b>
<b>Financial Liabilities</b>						
Trade payables	146.51	-	146.51	72.28	-	72.28
Debt securities	2,679.85	5,256.07	7,935.92	4,217.33	7,459.42	11,676.75
Borrowings (other than debt securities)	7,540.06	6,945.67	14,485.73	9,088.06	13,540.32	22,628.38
Subordinated liabilities	8.63	500.00	508.63	8.61	500.00	508.61
Other financial liabilities	2,262.56	6,286.92	8,549.48	2,497.62	4,212.17	6,709.79
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	5.68	-	5.68	16.90	-	16.90
Provisions	43.98	-	43.98	37.62	-	37.62
Deferred tax liabilities (net)	-	71.81	71.81	-	9.18	9.18
Other non-financial liabilities	42.53	-	42.53	23.61	-	23.61
<b>Total Liabilities</b>	<b>12,729.80</b>	<b>19,060.47</b>	<b>31,790.27</b>	<b>15,962.02</b>	<b>25,721.10</b>	<b>41,683.12</b>
<b>Net</b>	<b>1,009.51</b>	<b>6,766.81</b>	<b>7,776.32</b>	<b>3,189.96</b>	<b>4,437.92</b>	<b>7,627.87</b>



**42 Segment Information**

The Company is operating under single business segment i.e. to provide loans for purchase or construction of residential houses, loan against properties and loans to real estate developers. Accordingly, there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the Company operates only in India.

**43 Related Party Disclosures**

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

Name of related parties by whom control is exercised :

Ultimate Holding Company	Edelweiss Financial Services Limited
Holding Company	Edelweiss Rural & Corporate Services Limited
Fellow Subsidiaries (with whom transactions have taken place)	ECap Equities Limited (Merged with Edel Land Limited w.e.f. March 25th, 2022) Edelweiss Insurance Brokers Limited ECL Finance Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Asset Reconstruction Company Limited Trust EARC Trust SC 401 EARC Trust SC 374 EARC Trust SC 378 EARC Trust SC 417 EARC Trust SC 418 EARC Trust SC 447 EARC Trust SC 451 EARC Trust SC 459 Edelweiss Comtrade Limited Edelweiss Gallagher Insurance Brokers Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelcap Securities Limited Edel Finance Company Limited Edel Land Limited Edelweiss Retail Finance Limited Edelweiss General Insurance Company Limited EdelGive Foundation Edelweiss Investment Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Securities Limited (Upto March 26, 2021) Edelweiss Broking Limited (Upto March 26, 2021) Edelweiss Custodial Services Limited (Upto March 26, 2021) Edelweiss Investment Advisors Limited (Upto March 26, 2021) Edelweiss Finance & Investments Limited (Upto March 26,
Fellow Associates (From March 26, 2021)	Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited Edelweiss Investment Advisors Limited Edelweiss Finance & Investments Limited
Independent Director	Mr. Sunil Phatarphekar (From April 13, 2020) Mr. Biswamohan Mahapatra (From October 29, 2020) Mr. Gautam Chatterjee (From September 16, 2021) Mr. P N. Venkatachalam (Non-Executive Director) (upto June 17, 2021)
Key Management Personnel	Mr. Rajat Avasthi (Managing Director & CEO) (From September 3, 2020) Mr. Krishnaswamy Siddharth (Executive Director & CRO upto May 15, 2020) Mr. Deepak Mittal (Non-Executive Director) (From Oct 14, 2019)) Ms. Shilpa Gattani (Non-Executive Director) (From Sep 23, 2020) Mr. Phanindranath Kakarla (Non-Executive Director) (From Mar 2, 2021) Mr. Deepak Mundra (Non-Executive Director) (From March 02, 2021 upto Oct 13, 2021) Mr. Manjeet Bijlani (Chief Financial Officer upto April 14, 2020) Mr. Manish Dhanuka (Chief Financial Officer) (From July 03, 2020 upto August 31, 2021) Mr. Tushar Kotecha (Chief Financial Officer) (From January 28, 2022) Ms. Riddhi Parekh (Company Secretary from January, 03, 2020 upto October 29, 2021) Mr. Vinay Tripathi (Company Secretary from December 16, 2021 upto January 31, 2022) Mr. Girish Manik (Company Secretary From February 01, 2022 )



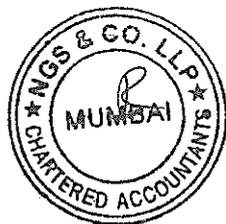
Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

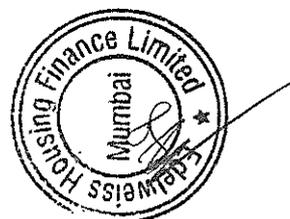
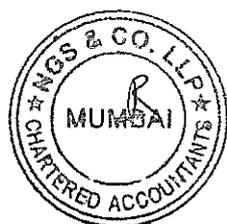
ii. Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Capital Account Transactions:</b>			
Loans taken from	<i>Maximum transaction during the year</i>		
	Edel Land Limited	500.00	
	ECL Finance Limited	-	250.00
	Edelweiss Retail Finance Limited	250.00	
	<i>Volume of transactions during the year</i>		
	Edel Land Limited	500.00	-
	Edelweiss Rural & Corporate Services Limited	-	15,496.72
	Edelweiss Retail Finance Limited	250.00	5,748.00
	ECL Finance Limited	-	-
Loans repaid to	<i>Maximum transaction during the year</i>		
	Edel Land Limited	500.00	-
	Edelweiss Retail Finance Limited	130.00	13.00
	ECL Finance Limited	-	250.00
	<i>Volume of transactions during the year</i>		
	Edel Land Limited	500.00	-
	Edelweiss Retail Finance Limited	250.00	13.00
	ECL Finance Limited	-	250.00
Loans given to	<i>Maximum transaction during the year</i>		
	ECL Finance Limited	2,000.00	1,500.00
	Edelweiss Rural & Corporate Services Limited	1,300.00	800.00
	Edelweiss Retail Finance Limited	2,500.00	4,000.00
	<i>Volume of transactions during the year</i>		
	ECL Finance Limited	7,950.00	6,010.00
	Edelweiss Rural & Corporate Services Limited	4,400.00	800.00
	Edelweiss Retail Finance Limited	6,500.00	20,830.00
Loans repaid by	<i>Maximum transaction during the year</i>		
	ECL Finance Limited	2,000.00	2,000.00
	Edelweiss Retail Finance Limited	2,500.00	4,000.00
	Edelweiss Rural & Corporate Services Limited	1,300.00	800.00
	<i>Volume of transactions during the year</i>		
	ECL Finance Limited	8,950.00	5,020.00
	Edelweiss Retail Finance Limited	6,500.00	20,830.00
	Edelweiss Rural & Corporate Services Limited	4,400.00	800.00
Loan portfolio purchase under direct assignment	ECL Finance Limited	1,005.78	1,937.86
	Edelweiss Retail Finance Limited	282.82	1,769.67
Loan sold to ARC trust	Edelweiss Asset Reconstruction Company Limited	1,925.70	26.80
Loan sold under Securitisation	Edelweiss General Insurance Company Limited	100.83	-
	Edelweiss Tokio Life Insurance Company Limited	997.36	-
Investment in Security Receipt issued by at book Value	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 378	-	22.78
	EARC Trust SC 417	365.93	-
	EARC Trust SC 418	273.19	-
	EARC Trust SC 447	566.27	-
	EARC Trust SC 451	294.44	-
	EARC Trust SC 459	137.10	-



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

Nature of Transaction	Related Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>43 Related Party Disclosures</b>			
Sale of Security Receipts	Edelweiss Retail Finance Limited	378.65	-
Purchase of bonds from	ECL Finance Limited	150.72	83.64
	Edelweiss Retail Finance Limited	0.20	-
Sale of bonds to	ECL Finance Limited	-	2,144.87
Redemption of bonds held in	Edelweiss Retail Finance Limited	-	250.00
	Edelweiss Rural & Corporate Services Limited	94.78	-
<b>Current Account Transactions:</b>			
Interest Expenses on loan from	Edel Land Limited	0.61	-
	Edelweiss Retail Finance Limited	2.08	0.28
	ECL Finance Limited	-	0.50
Interest Income on loan to	ECL Finance Limited	71.62	8.39
	Edelweiss Retail Finance Limited	19.32	32.91
	Edelweiss Rural & Corporate Services Limited	93.46	17.21
Interest Income on security deposit to	Ecap Equities Limited	-	9.68
	Edelweiss Rural & Corporate Services Limited	11.74	12.10
	Edel Land Limited	9.39	-
Interest Expenses on Non convertible Debentures	Edelweiss Finance & Investments Limited	0.02	0.02
	ECL Finance Limited	8.68	3.66
	Edelweiss Retail Finance Limited	0.81	0.24
	Edelweiss Tokio Life Insurance Company Limited	2.58	-
Interest Income on non convertible debentures	ECL Finance Limited	-	18.50
	Edelweiss Rural & Corporate Services Limited	13.21	9.56
	Edelweiss Retail Finance Limited	-	10.85
Interest expense on Securitisation	Edelweiss General Insurance Company Limited	0.13	-
	Edelweiss Tokio Life Insurance Company Limited	0.70	-
Cost reimbursement paid to	Edelweiss Financial Services Limited	1.42	9.12
	Edelweiss Rural & Corporate Services Limited	48.97	10.00
	Ecap Equities Limited	-	0.44
	Edelweiss Securities Limited	0.00	0.66
	Edel Land Limited	0.06	3.03
	ECL Finance Limited	6.58	0.09
	Edelweiss Broking Limited	0.08	-
	Edelweiss Retail Finance Limited	0.38	-
ESOP and SAR cost reimbursement	Edelweiss Financial Services Limited	4.40	1.84
CSR expenses paid to	EdelGive Foundation	7.60	15.79
Cost reimbursement received from	ECL Finance Limited	-	-
	Edelweiss Broking Limited	-	0.17
	Edelweiss Custodial Services Limited	0.00	-
	Edelweiss General Insurance Company Limited	0.00	-
Service fee received from	Edelweiss Retail Finance Limited	0.26	0.02
	ECL Finance Limited	0.11	0.11
Service charges paid	Edelweiss Retail Finance Limited	1.50	0.66
	ECL Finance Limited	1.44	0.95
Advisory fees earned from	ECL Finance Limited	17.50	33.93
	Edelweiss Retail Finance Limited	4.30	9.00



Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

43 Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended	For the year ended
		March 31, 2022	March 31, 2021
Shared premises cost paid to	ECL Finance Limited	27.50	7.42
	Edelweiss Retail Finance Limited	8.66	23.97
	Ecap Equities Limited	-	17.14
	Edelweiss Broking Limited	0.07	-
	Edelweiss Securities Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	-	14.15
	Edelweiss Asset Management Limited	-	0.00
	Edel Land Limited	1.80	-
Shared premises cost received from	Edelweiss Insurance Brokers Limited	-	0.03
	Edelweiss Custodial Services Limited	0.26	0.18
	Edelweiss Broking Limited	-	0.05
	Edelweiss General Insurance Company Limited	0.26	1.26
	Edelweiss Financial Services Limited	0.01	-
	Edelweiss Rural & Corporate Services Limited	0.15	-
Corporate Guarantee fee received from	Edelweiss Rural & Corporate Services Limited	0.01	-
Corporate Guarantee support fee paid to	Edel Land Limited	0.03	0.01
	Edelweiss Rural & Corporate Services Limited	0.02	-
Rating support fees paid to	Edelweiss Financial Services Limited	-	0.07
	Edelweiss Rural & Corporate Services Limited	0.13	0.15
Risk and reward sharing fee expense	Edelweiss Rural & Corporate Services Limited	-	3.50
	Edelweiss Financial Services Limited	1.94	1.17
Reimbursement of ARC management fee from	Edelweiss Financial Services Limited	89.03	12.06
Professional fees paid to	Edelweiss Rural & Corporate Services Limited	-	0.30
	Edelweiss Financial Services Limited	-	0.06
	ECL Finance Limited	0.55	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	76.72	55.69
Management Fees received from	Edelweiss Financial Services Limited	-	8.05
Commission and brokerage paid to	Edelweiss Securities Limited	0.03	-
	Edelweiss Investment Limited	0.01	-
Enterprise service charge paid to	Edelweiss Rural & Corporate Services Limited	0.63	-
	ECL Finance Limited	20.12	-
Corporate Cost	Edelweiss Rural & Corporate Services Limited	-	44.42
	Edelweiss Financial Services Limited	-	15.01
Director Sitting fees	Mr. P N. Venkatachalam	0.14	0.40
	Mr. Sunil Phatarphekar	0.28	0.28
	Mr. Biswamohan Mahapatra	0.32	0.10
	Mr. Gautam Chatterjee	0.08	-
Remuneration to	Mr. Rajat Avasthi	21.66	9.93
	Mr. Krishnaswamy Siddharth	-	2.34
	Mr. Manjeet Bijlani	-	0.73
	Ms. Riddhi Parekh	1.82	2.05
	Mr. Manish Dhanuka	6.07	4.49
	Mr. Tushar Kotecha	2.23	-
	Mr. Girish Manik	0.61	-
Sale of Property, plant and equipment	ECL Finance Limited	-	0.03
	Edelweiss Finance & Investments Limited	-	0.03
	Edelweiss Broking Limited	0.00	-
	Edelweiss Custodial Services Limited	0.00	-
	Edelweiss Broking Limited	-	0.16
	Edel Land Limited	-	0.02
	Edelweiss Financial Services Limited	-	0.01
	Edelweiss Insurance Brokers Limited	0.00	-
	Edelweiss Investment Advisors Limited	-	-
	Edelweiss Rural & Corporate Services Limited	0.00	0.07
	Edelweiss Securities Limited	0.00	0.03



43 Related Party Disclosures

Nature of Transaction	Related Party Name	For the year ended	For the year ended
		March 31, 2022	March 31, 2021
Purchase of Property, plant and equipment	Edelweiss Securities Limited	-	0.00
	ECL Finance Limited	0.43	0.01
	Edelweiss Gallagher Insurance Brokers Limited	-	0.02
	Edelweiss Broking Limited	-	0.07
	Edelweiss Investment Advisors Limited	0.00	-
	Edelweiss Retail Finance Limited	0.33	0.01
	Edelweiss Rural & Corporate Services Limited	0.07	0.03
Amount paid to broker for Cash segment	Edelweiss Securities Limited	237.53	193.15
	Edelweiss Investment Limited	148.08	-
Amount received from broker for Cash segment	Edelweiss Securities Limited	333.83	-
	Edelweiss Investment Limited	168.09	249.41
Margin Placed	Edelweiss Securities Limited	80.00	-
	Edelweiss Investment Limited	113.00	-
Margin Withdrawal	Edelweiss Securities Limited	86.00	-
	Edelweiss Investment Limited	113.00	-
Balances with related party	Related Party Name	As at March 31, 2022	As at March 31, 2021
Non convertible debentures held by (Face value)	ECL Finance Limited	8.33	158.38
	Edelweiss Finance & Investments Limited	0.16	0.16
	Edelweiss Retail Finance Limited	7.47	7.60
	Edelweiss Tokio Life Insurance Company Limited	25.80	-
Non convertible debentures held in (Face value)	Edelweiss Rural & Corporate Services Limited	-	72.00
Interest expense accrued on Short term borrowings	Edel Land Limited	0.54	-
	Edelweiss Retail Finance Limited	1.87	-
Interest Accrued on Securitisation	Edelweiss General Insurance Company Limited	0.13	-
	Edelweiss Tokio Life Insurance Company Limited	0.70	-
Loan given to	ECL Finance Limited	-	1,000.00
Interest income accrued on Loans	ECL Finance Limited	7.38	1.57
	Edelweiss Retail Finance Limited	-	8.14
	Edelweiss Rural & Corporate Services Limited	9.26	3.43
Security deposit given including accrued interest	ECap Equities Limited	-	80.91
	Edelweiss Rural & Corporate Services Limited	-	101.14
Interest accrued but not due on Non convertible debentures held by	Edelweiss Finance & Investments Limited	0.01	0.01
	Edelweiss Retail Finance Limited	0.52	0.52
	ECL Finance Limited	0.58	11.29
	Edelweiss Tokio Life Insurance Company Limited	1.81	-
Trade Payables to	Edelweiss Financial Services Limited	4.88	1.48
	ECL Finance Limited	22.09	4.60
	ECap Equities Limited	-	1.62
	Edelweiss Securities Limited	-	0.01
	Edelweiss Retail Finance Limited	6.22	1.87
	Edelweiss Broking Limited	0.11	-
	Edelweiss Alternative Asset Advisors Limited	-	0.90
	Edelweiss Rural & Corporate Services Limited	21.28	8.44
	Edelweiss Asset Management Limited	-	0.00
Edel Land Limited	2.00	0.01	
Other Payable to	Edelweiss Financial Services Limited	0.63	-
Margin receivable from	Edelweiss Securities Limited	-	6.00



43 Related Party Disclosures

Nature of Transaction	Related Party Name	As at	As at
		March 31, 2022	March 31, 2021
Trade Receivables from	ECL Finance Limited	13.26	13.56
	Edelweiss Financial Services Limited	24.46	13.33
	Edelweiss Retail Finance Limited	3.68	0.61
	Edelweiss Broking Limited	-	0.02
	Edel Land Limited	0.57	-
	Edelweiss Custodial Services Limited	0.02	0.02
	Edelweiss General Insurance Company Limited	-	0.15
	Edelweiss Comtrade Limited	-	0.02
	Edelweiss Rural & Corporate Services Limited	0.72	2.09
	Edelweiss Finance & Investments Limited	-	0.02
Edelweiss Tokio Life Insurance Company Limited	0.00	0.00	
Other Receivable from	Edelweiss Financial Services Limited	-	0.90
	ECL Finance Limited	0.93	-
	Edelweiss Retail Finance Limited	0.08	-
	Edelweiss Rural & Corporate Services Limited	0.14	-
Investment in Security Receipts (Books value) issued by	Edelweiss Asset Reconstruction Company Limited		
	EARC Trust SC 401	799.51	931.62
	EARC Trust SC 374	-	57.84
	EARC Trust SC 378	-	20.66
	EARC Trust SC 418	240.95	-
	EARC Trust SC 447	553.31	-
	EARC Trust SC 451	282.02	-
EARC Trust SC 459	137.10	-	
<b>Non-fund Based</b>			
Corporate Guarantee taken from	Edelweiss Financial Services Limited	1,324.40	1,890.58
	Edelweiss Rural & Corporate Services Limited	1,612.82	1,890.58
	Edel Land Limited	280.22	300.82
Corporate Guarantee Given to	Edelweiss Rural & Corporate Services Limited	950.00	-
Risk and Rewards Guarantee taken from	Edelweiss Financial Services Limited	2,208.60	1,446.13

Notes:

- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of short term 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 along with the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
- The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended March 31, 2022 and March 31, 2021.



**Edelweiss Housing Finance Limited**

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

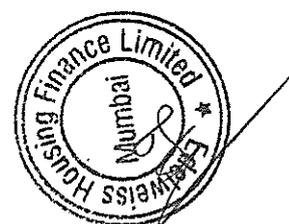
(Currency : Indian rupees in millions)

**44 Leases**

<b>44.1. Set out below are the carrying amounts of right-of-use assets recognised and the movements</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Balance as at April 1	95.09	154.96
Addition	51.58	19.56
Lease pre-closure (Net)	(5.31)	(43.50)
Amortisation for the year	(29.51)	(35.93)
<b>Balance as at March 31</b>	<b>111.85</b>	<b>95.09</b>
<b>44.2. Set out below are the carrying amounts of lease liabilities and the movements</b>		
Balance as at April 1	121.54	182.61
Additions/ reversal (net)	51.58	19.56
Interest on lease liabilities	12.79	14.88
Lease pre-closure (Net)	(9.71)	(57.13)
Repayment of lease obligation	(36.88)	(38.38)
<b>Balance as at March 31</b>	<b>139.32</b>	<b>121.54</b>
<b>44.3. Amounts recognised in profit or loss:</b>		
Amortization of right-of-use assets	29.51	35.93
Interest expense on lease liabilities	12.79	14.88
Reversal of lease pre-closure	(4.40)	(13.63)
<b>Total</b>	<b>37.90</b>	<b>37.18</b>
<b>44.4. Total Cash outflow for leases:</b>		
Cash outflow of long term leases	36.88	38.38
Cash outflow of short term leases	0.55	0.33
<b>Total</b>	<b>37.43</b>	<b>38.71</b>
<b>44.5. Details regarding the contractual maturities of lease liabilities, on an undiscounted basis:</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Less than 1 year	40.03	36.30
1-3 years	67.35	50.05
3-5 years	54.14	40.92
More than 5 years	5.72	22.83
<b>Total</b>	<b>167.24</b>	<b>150.10</b>

**45 Cost sharing**

Edelweiss Financial Services Limited, being the ultimate holding Company along with fellow subsidiaries incurs expenditure like, Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other Companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 34 and 35 include reimbursements paid and are net of reimbursements received based on the management's best estimates are Rs. 94.83 million (previous year Rs 84.35 million)



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**46. Risk Management**

**(a) Introduction and risk profile**

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

The Company believes that effective risk management requires:

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

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

**(b) Risk Management Structure**

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

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

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

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

**(c) Risk mitigation and risk culture**

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

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

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

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



**Edelweiss Housing Finance Limited**

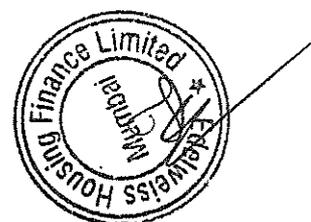
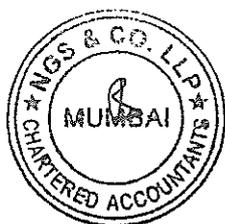
*Notes to the financial statements for the year ended March 31, 2022 (Continued)*

(Currency : Indian rupees in millions)

**(d) Types of Risks**

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

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



## Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

### 46.1. Credit Risk

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

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

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

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

#### (a) Impairment Assessment:

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

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

<u>Internal rating grade</u>	<u>Internal grading description</u>	<u>Stages</u>
<b>Performing</b>		
High grade	0 dpd and 1 to 30 dpd*	Stage I
Standard grade	31 to 90 dpd*	Stage II
<b>Credit Impaired</b>		
Individually impaired	NPA**	Stage III

\*Excluding non performing asset (NPA)

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

#### (b) Expected Credit Loss

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

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

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

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

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**(d) Probability of Default**

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

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

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

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

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

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

Where,

Drawn Credit Line = Current outstanding amount

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

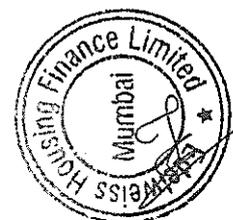
Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

**(g) Forward looking adjustments**

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

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

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**(h) Data sourcing**

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

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

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

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

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

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

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



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

(Currency : Indian rupees in millions)

**46.1.1. Risk concentration**

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year-end stage classification are further disclosed in Note 10.

**Industry analysis**

As at March 31, 2022	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
<b>Financial assets</b>					
Cash and cash equivalent and other bank balances	5,002.35	-	-	-	5,002.35
Securities held for trading	-	-	-	-	-
Trade receivables	56.78	-	-	-	56.78
Loans	1,505.90	18,157.87	9,724.74	1,575.68	30,964.41
Investments	2,618.06	-	-	-	2,618.06
Other financial assets	571.82	-	-	-	571.82
	9,754.91	18,157.87	9,724.74	1,575.68	39,213.42
Loan Commitments	-	871.90	0.01	-	871.91
<b>Total</b>	<b>9,754.91</b>	<b>19,029.77</b>	<b>9,724.75</b>	<b>1,575.68</b>	<b>40,085.33</b>

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**46.1.2. Collateral held and other credit enhancements**

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

	Maximum exposure to credit risk (carrying amount before ECL)		Principal type of collateral
	As at March 31, 2022	As at March 31, 2021	
<b>Financial assets</b>			
<b>Loans (at amortised cost):</b>			
Retail Loans	29,703.92	34,718.61	Property; book receivables
Wholesale Loans	1,728.16	218.48	Property; book receivables and liquid securities
<b>Total (A)</b>	<b>31,432.08</b>	<b>34,937.08</b>	
Loan commitments	871.90	1,281.26	Property; book receivables
<b>Total (B)</b>	<b>871.90</b>	<b>1,281.26</b>	
<b>Total (A + B)</b>	<b>32,303.98</b>	<b>36,218.34</b>	

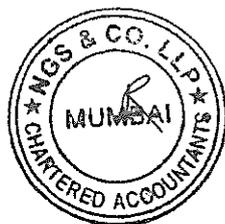
- (b) Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

As at March 31, 2022

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans	627.29	166.10	461.19	1,041.20
<b>Total (A)</b>	<b>627.29</b>	<b>166.10</b>	<b>461.19</b>	<b>1,041.20</b>
Loan commitments (Retail)	3.94	1.68	2.26	6.53
<b>Total (B)</b>	<b>3.94</b>	<b>1.68</b>	<b>2.26</b>	<b>6.53</b>
<b>Total (A + B)</b>	<b>631.23</b>	<b>167.78</b>	<b>463.45</b>	<b>1,047.73</b>

As at March 31, 2021

<b>Financial assets</b>				
Loans	1,275.82	129.86	1,145.96	1,850.70
<b>Total (A)</b>	<b>1,275.82</b>	<b>129.86</b>	<b>1,145.96</b>	<b>1,850.70</b>
Loan commitments	13.98	1.40	12.58	20.28
<b>Total (B)</b>	<b>13.98</b>	<b>1.40</b>	<b>12.58</b>	<b>20.28</b>
<b>Total (A + B)</b>	<b>1,289.80</b>	<b>131.26</b>	<b>1,158.54</b>	<b>1,870.98</b>



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

(Currency : Indian rupees in millions)

**46.1.3. Overview of modified and forborne loans**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amortised costs of financial assets modified during the year	1,279.54	241.29
Net modification gain / (loss)	67.05	12.54

**46.1.4. Transfer of financial assets****(a) Transferred financial assets that are not derecognised in their entirety**

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

	As at March 31, 2022	As at March 31, 2021
<b>Securitisations</b>		
Carrying amount of transferred assets <i>(held as Collateral)</i>	7,862.64	5,339.87
Carrying amount of associated liabilities	7,804.87	5,288.95
Fair value of assets	8,481.31	5,588.36
Fair value of associated liabilities	7,804.87	5,288.95
Net position at FV	676.44	299.41



**Edelevess Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**  
(Currency - Indian rupees in millions)

**46.2. Liquidity Risk**

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

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

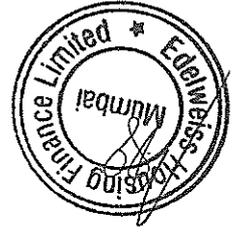
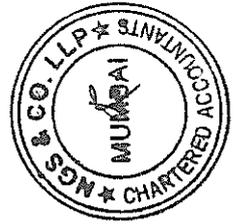
**46.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities**

As at <u>March 31, 2022</u>	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>A. Financial Assets</b>											
Cash and cash equivalent and other bank balances	2,026.13	1,112.07	45.22	858.22	5.15	-	934.95	20.61	-	-	5,002.35
Securities held for trading	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	56.78	-	-	-	-	-	-	56.78
Loans	-	413.18	187.44	669.01	884.01	2,004.34	6,149.35	13,271.67	5,022.34	21,977.32	50,578.66
Investments	-	-	319.70	-	-	-	-	400.00	-	1,498.36	2,618.06
Other financial assets	-	-	252.89	1.04	-	-	1.43	-	21.48	-	294.98
<b>Total undiscounted financial assets</b>	<b>2,026.13</b>	<b>1,525.25</b>	<b>805.25</b>	<b>1,585.05</b>	<b>889.16</b>	<b>2,004.34</b>	<b>7,085.73</b>	<b>13,692.28</b>	<b>5,443.82</b>	<b>23,770.66</b>	<b>58,927.67</b>
<b>B. Financial Liabilities</b>											
Trade payables	-	-	-	146.51	-	-	-	-	-	-	146.51
Debt securities	-	2.02	37.15	1,603.25	883.52	394.06	58.76	1,045.12	4,779.58	1,808.82	10,612.28
Borrowings (other than debt securities)	-	-	82.90	88.76	3,205.33	1,591.31	3,492.14	6,993.84	374.72	186.41	16,018.41
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	612.50	-	781.25
Other financial liabilities	-	22.09	691.06	212.23	179.09	355.40	802.69	2,422.94	439.26	3,424.72	8,549.48
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>24.11</b>	<b>814.11</b>	<b>2,050.75</b>	<b>4,267.94</b>	<b>2,340.77</b>	<b>4,409.84</b>	<b>10,574.40</b>	<b>6,206.06</b>	<b>5,419.95</b>	<b>36,107.93</b>
<b>Net financial assets / (liabilities)</b>	<b>2,026.13</b>	<b>1,501.14</b>	<b>(8.86)</b>	<b>(465.71)</b>	<b>(3,378.78)</b>	<b>(336.43)</b>	<b>2,675.89</b>	<b>3,117.88</b>	<b>(762.24)</b>	<b>18,350.71</b>	<b>22,719.74</b>

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2022 is Rs. 988.56 million.

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

Undrawn loan commitments	-	611.30	43.35	-11.19	63.28	34.92	65.60	12.27	-	-	871.91
<b>Total</b>	<b>-</b>	<b>611.30</b>	<b>43.35</b>	<b>-11.19</b>	<b>63.28</b>	<b>34.92</b>	<b>65.60</b>	<b>12.27</b>	<b>-</b>	<b>-</b>	<b>871.91</b>



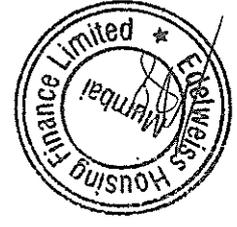
**Edelweiss Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**  
(Currency : Indian rupees in millions)

As at March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>A. Financial Assets</b>											
Cash and cash equivalent and other bank balances	1,972.39	7,484.66	-	-	-	26.51	790.24	-	17.31	-	10,291.11
Securities held for trading	-	65.72	-	-	-	90.11	-	-	-	-	155.83
Trade receivables	-	-	-	104.02	-	-	-	-	-	-	104.02
Loans	-	573.41	203.95	878.57	1,146.76	2,571.99	6,045.49	16,906.17	7,120.66	29,818.88	65,265.88
Investments	-	-	-	-	-	-	-	-	-	1,600.86	1,600.86
Other financial assets	-	-	242.61	64.56	205.33	-	8.40	30.00	-	365.84	916.75
<b>Total undiscounted financial assets</b>	<b>1,972.39</b>	<b>8,123.79</b>	<b>446.56</b>	<b>1,047.15</b>	<b>1,352.09</b>	<b>2,688.61</b>	<b>6,844.13</b>	<b>16,936.17</b>	<b>7,137.97</b>	<b>31,785.58</b>	<b>78,334.45</b>
<b>B. Financial Liabilities</b>											
Trade payables	-	-	-	72.28	-	-	-	-	-	-	72.28
Debt securities	-	2.02	268.90	57.38	83.44	1,330.70	3,057.41	3,386.38	1,082.88	6,328.96	15,598.07
Borrowings (other than debt securities)	-	1,200.00	135.86	794.98	2,315.86	1,984.47	4,197.87	12,347.27	2,042.56	623.99	25,642.86
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	561.18	-	729.93
Other financial liabilities	-	271.09	1,106.52	250.25	157.91	235.69	476.15	1,622.71	304.56	2,384.90	6,709.79
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>1,473.11</b>	<b>1,511.28</b>	<b>1,174.89</b>	<b>2,537.21</b>	<b>3,550.86</b>	<b>7,787.68</b>	<b>17,468.86</b>	<b>3,991.18</b>	<b>9,237.85</b>	<b>48,752.93</b>
<b>Net financial assets / (liabilities)</b>	<b>1,972.39</b>	<b>6,650.68</b>	<b>(1064.72)</b>	<b>(127.74)</b>	<b>(1,205.12)</b>	<b>(862.25)</b>	<b>-943.55</b>	<b>(532.69)</b>	<b>3,146.79</b>	<b>22,547.73</b>	<b>29,581.52</b>

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

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

Undrawn loan commitments	-	1,207.83	11.30	15.60	7.35	16.44	13.05	9.69	-	-	1,281.26
Total	-	1,207.83	11.30	15.60	7.35	16.44	13.05	9.69	-	-	1,281.26



**Edelweiss Housing Finance Limited**

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

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**46.2. Liquidity Risk**

**46.2.3. Financial assets available to support future funding**

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

As at March 31, 2022	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	
Cash and cash equivalent including bank balance	2,929.10	2,073.25	-	-	5,002.35
Securities held for trading	-	-	-	-	-
Trade receivables	56.78	-	-	-	56.78
Loans	22,361.06	7,366.54	1,236.81	-	30,964.41
Investments	-	-	2,618.06	-	2,618.06
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	276.84	294.98	-	-	571.82
<b>Total assets</b>	<b>25,624.99</b>	<b>9,734.78</b>	<b>3,854.87</b>	<b>-</b>	<b>39,214.63</b>

As at March 31, 2021	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	
Cash and cash equivalent including bank balance	9,463.05	828.06	-	-	10,291.11
Securities held for trading	155.83	-	-	-	155.83
Trade receivables	104.02	-	-	-	104.02
Loans	29,106.20	6,294.15	558.24	-	35,958.59
Investments	-	1,600.86	-	-	1,600.86
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	166.58	365.84	384.33	-	916.75
<b>Total assets</b>	<b>38,996.89</b>	<b>9,088.91</b>	<b>942.57</b>	<b>-</b>	<b>49,028.37</b>

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

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



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

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**46.3. Market Risk**

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

**Exposure to market risk – Non trading portfolios**

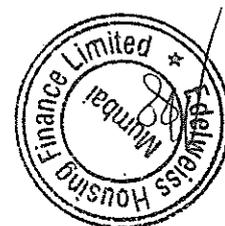
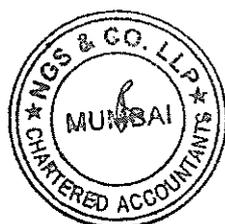
Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest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

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

**46.3.1 Market risk exposure**

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

Particulars	As at March 31, 2022			As at March 31, 2021			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
<b>Financial Assets</b>							
Cash and cash equivalent and other bank balances	5,002.35	-	5,002.35	10,291.11	-	10,291.11	Interest rate
Securities held for trading	-	-	-	155.83	155.83	-	Interest rate / Price risk
Loans	30,964.41	-	30,964.41	35,958.59	-	35,958.59	Interest rate
Investments	2,618.06	-	2,618.06	1,600.86	-	1,600.86	Interest rate
Trade receivables	56.78	-	56.78	104.02	-	104.02	
Other financial assets	571.82	-	571.82	916.75	-	916.75	
<b>Total</b>	<b>39,213.42</b>	<b>-</b>	<b>39,213.42</b>	<b>49,027.16</b>	<b>155.83</b>	<b>48,871.33</b>	
<b>Financial Liabilities</b>							
Debt securities	7,935.92	-	7,935.92	11,676.75	-	11,676.75	Interest rate
Borrowings (other than Debt Securities)	14,485.73	-	14,485.73	22,628.38	-	22,628.38	Interest rate
Subordinated liabilities	508.63	-	508.63	508.61	-	508.61	Interest rate
Trade payables	146.51	-	146.51	72.28	-	72.28	
Other liabilities	8,549.48	-	8,549.48	6,709.79	-	6,709.79	Interest rate
<b>Total</b>	<b>31,626.27</b>	<b>-</b>	<b>31,626.27</b>	<b>41,595.81</b>	<b>-</b>	<b>41,595.81</b>	



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

(Currency : Indian rupees in millions)

**46.3. Market Risk****46.3.2 Interest rate risk**

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

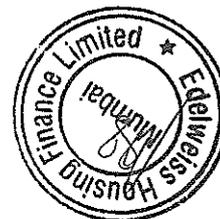
The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

**INR Loans**

For the year ended	Increase/ (Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax	Increase in Equity (Decrease) in Equity	
<b><u>INR Loans</u></b>					
March 31, 2022	25/(25)	30.92	(30.92)	30.92	(30.92)
March 31, 2021	25/(25)	35.74	(35.74)	35.74	(35.74)

**INR Borrowings**

March 31, 2022	25/(25)	(39.02)	39.02	(39.02)	39.02
March 31, 2021	25/(25)	(40.05)	40.05	(40.05)	40.05



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

(Currency : Indian rupees in millions)

**47.1. Fair Value measurement:****A. Valuation principles**

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

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

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

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

Refer note 3.11 for more details on fair value hierarchy

**B. Valuation governance framework**

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

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

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

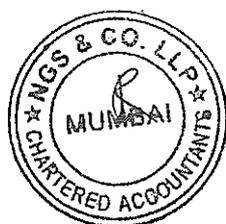
**C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy**

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	2,618.06	2,618.06
<b>Total financial instruments measured at fair value - C</b>	<b>-</b>	<b>-</b>	<b>2,618.06</b>	<b>2,618.06</b>

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

**D. Valuation techniques:****Security receipts**

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



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

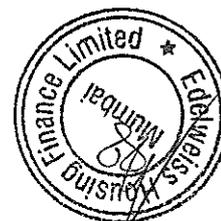
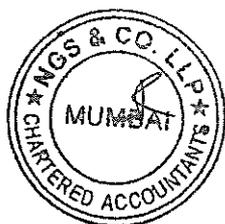
(Currency : Indian rupees in millions)

**47.1. Fair Value measurement:**

E. There have been no transfers between levels during the year ended March 31, 2022 and March 31, 2021.

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

Financial year ended March 2022	<u>Security receipts</u>	<u>Total</u>
Investments - at April 1, 2021	1,600.86	1,600.86
Purchase	1,636.93	1,636.93
Sale/Redemption proceeds	(639.50)	(639.50)
Profit for the year recognised in profit or loss	19.77	19.77
Investments - at March 31, 2022	<u>2,618.06</u>	<u>2,618.06</u>
Unrealised gain/(Loss) related to balances held at the end of the year	19.77	19.77
Financial year ended March 2021	<u>Security receipts</u>	<u>Total</u>
Investments - at April 1, 2020	1,044.73	1,044.73
Purchase	613.53	613.53
Sale/Redemption proceeds	(57.40)	(57.40)
Profit for the year recognised in profit or loss	-	-
Investments - at March 31, 2021	<u>1,600.86</u>	<u>1,600.86</u>
Unrealised gain/(Loss) related to balances held at the end of the year	-	-



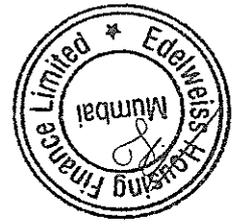
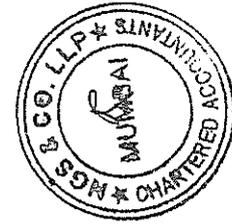
**Edelweiss Housing Finance Limited**  
**Notes to the financial statements for the year ended March 31, 2022 (Continued)**  
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**47.1. Fair Value measurement:**

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

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

Type of Financial Instruments	Fair value of asset as on 31 March 2022	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	2,618.06	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows Risk-adjusted discount rate	3,465.33 12.00%	5% increase in Expected future Cash flow 0.5% increase in Risk-adjusted discount rate	144.95 (11.64)	5% Decrease in Expected future Cash flow 0.5% Decrease in Risk-adjusted discount rate	(144.95) 11.74
Security receipts	1,600.86	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows Risk-adjusted discount rate	1,881.22 12.00%	5% increase in Expected future Cash flow 0.5% increase in Risk-adjusted discount rate	78.41 (7.11)	5% Decrease in Expected future Cash flow 0.5% Decrease in Risk-adjusted discount rate	(78.41) 7.18



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**47.2. Financial instruments not measured at fair value**

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

<u>As on March 31, 2022</u>	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	30,964.41	32,083.90	-	-	32,083.90
<b>Total</b>	<b>30,964.41</b>	<b>32,083.90</b>	<b>-</b>	<b>-</b>	<b>32,083.90</b>
<b>Financial liabilities</b>					
Debt securities	7,935.92	8,097.44	-	8,097.44	-
Borrowing (other than debt securities)	1,324.40	1,320.75	-	1,320.75	-
Subordinated liabilities	508.63	508.48	-	508.48	-
<b>Total</b>	<b>9,768.95</b>	<b>9,926.67</b>	<b>-</b>	<b>9,926.67</b>	<b>-</b>
<b>Off-balance sheet items</b>					
Loan commitments	871.91	435.96	-	-	435.96
<b>Total</b>	<b>871.91</b>	<b>435.96</b>	<b>-</b>	<b>-</b>	<b>435.96</b>
<u>As on March 31, 2021</u>					
<b>Financial assets:</b>					
Loans	35,958.59	37,150.32	-	-	37,150.32
<b>Total</b>	<b>35,958.59</b>	<b>37,150.32</b>	<b>-</b>	<b>-</b>	<b>37,150.32</b>
<b>Financial liabilities</b>					
Debt securities	11,676.75	11,952.14	-	11,952.14	-
Borrowing (other than debt securities)	2,540.58	2,592.38	-	2,592.38	-
Subordinated liabilities	508.61	508.44	-	508.44	-
<b>Total</b>	<b>14,725.94</b>	<b>15,052.97</b>	<b>-</b>	<b>15,052.97</b>	<b>-</b>
<b>Off-balance sheet items</b>					
Loan commitments	1,281.26	640.63	-	-	640.63
<b>Total</b>	<b>1,281.26</b>	<b>640.63</b>	<b>-</b>	<b>-</b>	<b>640.63</b>

**Valuation Methodologies of Financial Instruments not measured at fair value**

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

**Short Term Financial Assets and Liabilities**

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

**Financial assets at amortised cost**

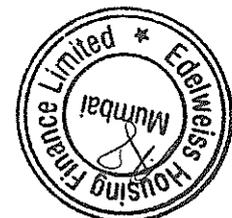
The fair values of financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk. In case of floating interest rate linked loans, since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

**Issued Debt**

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

**Financial liabilities at amortised cost**

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



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

(Currency : Indian rupees in millions)

**48. Trade receivables****Provision matrix for Trade receivables**

Particulars	Trade receivables days past due	1-90days	91-180 days	181-365 days	more than 365 days	Total
ECL rate		1.88%	12.11%	0.00%	100.00%	
As at March 31, 2022	Estimated total gross carrying amount at default	46.70	12.47	-	3.80	62.97
	ECL - Simplified approach	(0.88)	(1.51)	-	(3.80)	(6.19)
	Net carrying amount	<u>45.82</u>	<u>10.96</u>	<u>-</u>	<u>-</u>	<u>56.78</u>
As at March 31, 2021	Estimated total gross carrying amount at default	104.36	0.00	3.75	0.10	108.21
	ECL - Simplified approach	(2.26)	-	(1.83)	(0.10)	(4.19)
	Net carrying amount	<u>102.10</u>	<u>-</u>	<u>1.92</u>	<u>-</u>	<u>104.02</u>



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

(Currency : Indian rupees in millions)

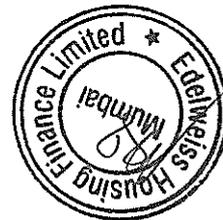
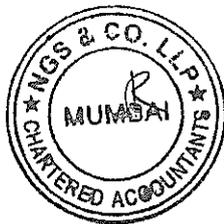
**49 Details of the loan taken from Banks and other parties****Nature of security and terms of repayment for secured borrowings (other than debentures):**

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

**(a) From Banks**

As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest		Total
	<8%	8.00 - 10.00%	
March-2025	-	14.18	14.18
December-2024	101.45	638.18	739.63
September-2024	72.90	-	72.90
June-2024	72.90	689.18	762.08
March-2024	72.90	430.71	503.61
December-2023	72.90	1,180.68	1,253.58
September-2023	72.90	827.59	900.49
June-2023	72.90	1,572.18	1,645.08
March-2023	72.90	933.00	1,005.90
December-2022	127.68	1,751.39	1,879.07
September-2022	114.80	1,150.53	1,265.33
June-2022	128.50	1,790.93	1,919.43
<b>Total</b>	<b>982.73</b>	<b>10,978.55</b>	<b>11,961.28</b>



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

(Currency : Indian rupees in millions)

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

(a) From Banks

As at March 31, 2021

Month of Maturity / Repayment	Rate of Interest		Total
	<8%	8.00 - 10.00%	
December-2024	101.45	638.18	739.63
September-2024	72.90	-	72.90
June-2024	72.90	689.18	762.08
March-2024	72.90	433.84	506.74
December-2023	72.90	1,180.68	1,253.58
September-2023	72.90	828.51	901.41
June-2023	72.90	1,572.18	1,645.08
March-2023	72.90	933.00	1,005.90
December-2022	127.68	1,751.79	1,879.47
September-2022	114.80	1,151.44	1,266.24
June-2022	128.50	1,790.93	1,919.43
March-2022	128.50	1,151.75	1,280.25
December-2021	128.50	1,790.93	1,919.43
September-2021	114.60	1,384.95	1,499.55
June-2021	72.90	2,107.10	2,180.00
Total	1,427.23	17,404.47	18,831.69



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank

As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest			Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	
January-2029	-	4.63	-	4.63
October-2028	-	19.80	-	19.80
July-2028	-	19.80	-	19.80
April-2028	-	19.81	-	19.81
January-2028	-	20.66	-	20.66
October-2027	-	23.89	-	23.89
July-2027	-	32.36	-	32.36
April-2027	-	33.20	-	33.20
January-2027	-	33.20	-	33.20
October-2026	-	33.20	-	33.20
July-2026	-	33.20	-	33.20
April-2026	-	33.20	-	33.20
January-2026	-	33.20	-	33.20
October-2025	-	33.20	-	33.20
July-2025	27.30	33.20	-	60.50
April-2025	30.50	33.20	-	63.70
January-2025	31.45	33.20	-	64.65
October-2024	31.95	33.20	-	65.15
July-2024	39.97	33.20	-	73.17
April-2024	41.21	33.20	-	74.41
January-2024	41.21	33.20	-	74.41
October-2023	41.21	33.20	-	74.41
July-2023	41.21	33.20	-	74.41
April-2023	41.21	33.20	5.99	80.40
January-2023	41.21	33.20	7.24	81.64
October-2022	41.21	33.20	7.24	81.64
July-2022	42.19	33.20	7.24	82.62
<b>Total</b>	<b>491.83</b>	<b>804.87</b>	<b>27.70</b>	<b>1,324.40</b>



**Edelweiss Housing Finance Limited**

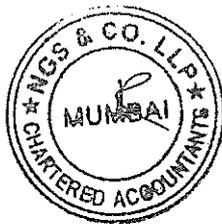
*Notes to the financial statements for the year ended March 31, 2022 (Continued)*

(Currency : Indian rupees in millions)

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

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

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

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

As at March 31, 2022

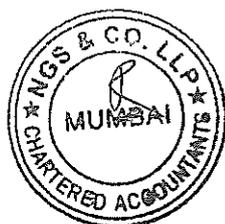
Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	19-Jul-2026	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	31,97,061	3,197.06
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reissuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL/NCD/18May22	9.25%	18-Nov-2020	18-May-2022	1,000	1,000.00
<b>Total</b>					<b>7,555.33</b>

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

As at March 31, 2021

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

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

51 Details of Unsecured Subordinated Debentures

As at March 31, 2022

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

As at March 31, 2021

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



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

(Currency : Indian rupees in millions)

**52. Capital Management**

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

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

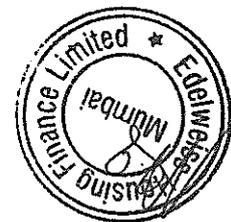
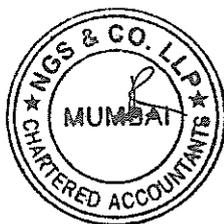
- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- b) Maintain investment grade ratings for all its liabilities issuances domestically and internationally by ensuring that the financial strength of their balance sheets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

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

**(b) Regulatory Capital**

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital Funds</b>		
Common Equity Tier1 (CET1) capital	6,086.73	6,676.41
Other Tier 2 capital instruments (CET2)	-	-
<b>Total capital</b>	<b>6,086.73</b>	<b>6,676.41</b>
<b>Risk weighted assets</b>	<b>21,526.01</b>	<b>25,205.72</b>
CET1 Capital ratio	28.28%	26.49%
CET2 Capital ratio	0.00%	0.00%
<b>Total Capital ratio</b>	<b>28.28%</b>	<b>26.49%</b>



Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

53. Other disclosures

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

Related Party transactions

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	16.64	1,009.71
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

(ii) Disclosure Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the Company	Edelweiss Housing Finance Limited
2	CIN	U65922MH2008PLC182906
3	Outstanding borrowing of Company as on March 31, 2022	22,930.28
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	As per Table 1 below
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE LIMITED

Table 1

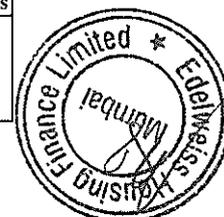
Product	Credit Rating	Name of Rating Agency
Bank Borrowings	A+	ICRA Limited
Bank Borrowings	AA-	CRISIL
Bank Borrowings	A+	CARE Limited
Commercial Papers	A1+	CARE Limited
Commercial Papers	A1+	CRISIL
Long Term Sub-Debt	A+	CARE Limited
Long Term Sub-Debt	A+	ICRA Limited
Long Term-NCD	AA-	Brickwork Ratings
Long Term-NCD	A+	ICRA Limited
Long Term-NCD	AA-	CRISIL
Long Term-NCD	A+	CARE Limited
Perpetual - Debt	A+	Brickwork Ratings
Long Term-NCD	AA	ACUITE

6. Details of incremental borrowings during the year ended March 31, 2022

S No.	Particulars	Details
i.	2-year block period (Specify financial years)	FY 2021-22 and FY 2022-23
ii.	Incremental borrowing done in FY (a)	-
iii.	Mandatory borrowing to be done through issuance of debt securities in FY (b) = (25% of a)	-
iv.	Actual borrowings done through debt securities in FY (c)	-
v.	Shortfall in the mandatory borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T).	NA
vi.	Quantum of (d), which has been met from (c)- (e)	NA
vii.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f) = (b)-{(c)-(e)} {If the calculated value is zero or negative, write "nil"}	NA

7 Details of penalty to be paid, if any, in respect to previous block :

S No.	Particulars	Details
i.	2-year Block period (Specify financial years)	FY 2021-22 and FY 2022-23
ii.	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}#	NA



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**53. Other disclosures**

**(iii) Disclosure of ratios**

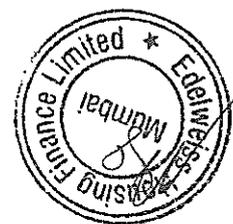
Sr No	Particulars	Mar-22	Mar-21
1	Debt-equity Ratio <sup>(refer note 1)</sup>	3.95	5.25
2	Debt service coverage ratio (DSCR) <sup>(refer note 2)</sup>	0.24	0.23
3	Interest service coverage ratio (ISCR) <sup>(refer note 3)</sup>	1.06	0.98
4	Outstanding redeemable preference shares (quantity and value)	Nil	Nil
5	Debenture redemption reserve (Rupees in Millions)	256.25	341.32
6	Net worth <sup>(refer note 4)</sup> (Rupees in Millions)	7,776.32	7,627.88
7	Net profit after tax (Rupees in Millions)	138.07	37.29
8	Earnings per share (not annualised)		
8.a	Basic (Rupees)	1.99	0.54
8.b	Diluted (Rupees)	1.99	0.54
9	Total debts to total assets <sup>(refer note 5)</sup>	0.78	0.81
10	Net profit margin (%) <sup>(refer note 6)</sup>	2.69%	0.68%
11	Sector specific equivalent ratios as on March 31, 2022		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	28.28%	26.49%
	(b) Tier I CRAR (%)	28.28%	26.49%
	(c) Tier II CRAR (%)	0.00%	0.00%
	(d) Stage 3 ratio (gross) (%) <sup>(refer note 7)</sup>	1.99%	3.50%
	(e) Stage 3 ratio (net) (%) <sup>(refer note 8)</sup>	1.46%	3.14%

(a) The Company, being a Housing Finance Company ('HFC'), disclosure of Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio are not applicable

(b) As per RBI guidelines on Liquidity Risk Management Framework, all non-deposit taking HFCs with asset size of Rs. 5,000 crore shall maintain the required level of Liquidity coverage ratio (LCR) starting December 1, 2021 in phased manner from 30% to 100% by December 1, 2025. As at March 31, 2022, the Company's asset size is less than Rs. 5,000 crores and hence minimum LCR maintenance is not mandatory for the Company.

Notes:-

- 1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Net worth
- 2 DSCR = Profit before interest and tax / (Interest expense + Principal repayment of borrowing and securitisation Liability in next twelve months)
- 3 ISCR = Profit before interest and tax / Interest expense
- 4 Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets
- 5 Total debts to total assets = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Total assets
- 6 Net profit margin (%) = Net profit after tax / Revenue from Operations
- 7 Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans
- 8 Stage 3 ratio (net) = (Gross stage 3 loans - impairment loss allowance for Stage 3) / Gross Loans



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

(Currency : Indian rupees in millions)

**53. Other disclosures****(iv) Relationship with Struck off Companies**

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

Name of the struck off company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed	As on March 31, 2022	As on March 31, 2021
Glossy Creations Private Limited	Receivables	None	0.66	-
	Investments in securities	NA	-	-
	Payables	NA	-	-
	Shares held by struck off Company	NA	-	-

**(v) Registration of charges or satisfaction with Registrar of Companies (ROC)**

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

**(vi) Compliance with number of layers of companies**

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

**(vii) Utilisation of Borrowed funds and share premium**

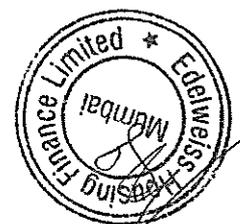
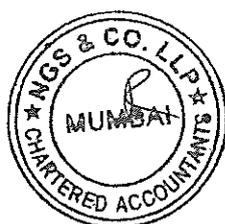
- (a) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**(viii) Details of Benami Property held**

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

**(ix) Undisclosed income**

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



Edelweiss Housing Finance Limited

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

(Currency : Indian rupees in millions)

54. Regulatory disclosures

The following minimum disclosures have been given in accordance with RBI Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and others relevant regulatory circulars /guidelines issued by RBI/NHB.

(i) Statutory reserve

As per Section 29C of the The National Housing Bank Act, 1987 (the “NHB Act”), the company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the company under Section 36(1)(viii) of the Income- tax Act, is considered to be an eligible transfer. The company has transferred an amount of Rs. 9.30 million (Previous Year Rs. 3.00 million) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of Rs.18.32 million (Previous Year Rs. 4.46 million) to “Statutory Reserve (As per Section 29C of The NHB Act)”.

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	<b>Amount</b>	<b>Amount</b>
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	155.66	151.20
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	392.14	389.14
c) <b>Total</b>	<b>547.80</b>	<b>540.34</b>
<b>Addition/Appropriation/Withdrawal during the year</b>		
Add : a) Amount transferred u/s 29C of the NHB Act, 1987	18.32	4.46
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	9.30	3.00
Less : a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/ s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	173.98	155.66
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	401.44	392.14
c) <b>Total</b>	<b>575.42</b>	<b>547.80</b>



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

**54. Regulatory disclosures**

**(ii) Fraud Reporting**

There were fraud cases reported aggregating to Rs. 29.75 millions (Previous year Rs. 30.28 millions) identified and reported to NHB during the financial year ended on March 31, 2022.

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

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2022 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign currency exposure as at March 31, 2022 (Previous year Rs. Nil).

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

Trade Payables include Rs.5.19 (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Rs 0.05 interest has been paid by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

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

	As at March 31, 2022	As at March 31, 2021
(i) CRAR (%)	28.28%	26.49%
(ii) CRAR - Tier I capital (%)	28.28%	26.49%
(iii) CRAR - Tier II Capital (%)	0.00%	0.00%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of perpetual debt instruments	-	-

**(vi) Investments**

Value of Investments	As at March 31, 2022	As at March 31, 2021
(i) Gross value of Investments		
(a) In India	2,598.29	1,600.86
(b) Outside India	Nil	Nil
(ii) Provisions for Depreciation/appreciation*		
(a) In India	19.77	Nil
(b) Outside India	Nil	Nil
(iii) Net value of Investments		
(a) In India	2,618.06	1,600.86
(b) Outside India	Nil	Nil
<b>Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	-	Nil
(ii) Add: Provisions/appreciation* made during the year	19.77	Nil
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	Nil
(iv) Closing balance	19.77	Nil

\*Represents unrealised gain due to fair values change

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

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



54. Regulatory disclosures

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

	As at March 31, 2022	As at March 31, 2021
(i) The notional principal of swap agreements	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	Nil	Nil
(v) The fair value of the swap book	Nil	Nil

(ix) Exchange Traded Interest Rate (IR) Derivative

	As at March 31, 2022	As at March 31, 2021
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	Nil	Nil
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2022 and March 31, 2021 (instrument-wise)	Nil	Nil
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

(x) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

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

B. Quantitative Disclosure

	As at March 31, 2022	As at March 31, 2021
(i) Derivatives (Notional Principal Amount)	Nil	Nil
(ii) Marked to Market Positions [1]		
(a) Assets (+)	Nil	Nil
(b) Liability (-)	Nil	Nil
(iii) Credit Exposure [2]	Nil	Nil
(iv) Unhedged Exposures	Nil	Nil



54. Regulatory disclosures

(xi) Securitisation/ Direct Assignment:

- (a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by Reserve bank of India vide Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 No. of SPVs* sponsored by the HFC for securitisation transactions	5	1
2 Total amount of securitised assets as per books of the SPVs sponsored by the HFC	4,259.23	0.25
3 Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	-	-
(i) Off-balance sheet exposures towards Credit Enhancements		
a) First Loss	-	-
b) Others	-	-
(ii) On-balance sheet exposures towards Credit Enhancements		
a) First Loss (Cash Collateral term deposits with Banks)	444.46	-
b) Series A PTCs/ABS	145.26	-
c) Others	-	-
4 Amount of exposures to securitisation transactions other than MRR	-	10.60
(i) Off-balance sheet exposures towards Credit Enhancements		
a) Exposure to own securitisations		
i.) First Loss	-	-
ii.) Others	-	-
b) Exposure to third party securitisations		
i.) First Loss	-	-
ii.) Others	-	-
(ii) On-balance sheet exposures towards Credit Enhancements		
a) Exposure to own securitisations		
i.) First Loss	-	10.60
ii.) Second Loss	-	-
ii.) Others	-	-
b) Exposure to third party securitisations		
i.) First Loss	-	-
ii.) Others	-	-

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

(b)(i) Details of Financial Assets sold to Reconstruction Company for Asset Reconstruction

Particulars	As at	As at
	March 31, 2022	March 31, 2021
i) No. of accounts	1309	452
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	2,172.40	1,368.15
iii) Aggregate consideration	1,925.80	1,176.00
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	(246.60)	(192.15)

(b)(ii) Details of Financial Assets sold to Securitisation Company.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
i) No. of accounts	3114	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	4,541.71	-
iii) Aggregate consideration	4,541.71	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-



54. Regulatory disclosures

(c) Disclosures in the notes to the accounts in respect of assignment transactions as required by RBI vide Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021. RBI/DOR/2021-22/86 DOR.STR.REC/51/21.04.048-2021-22 dated September 24 2021.

	As at March 31, 2022	As at March 31, 2021
1 No. of transactions assigned by the HFC	34	23
2 Total amount outstanding	13,558.08	15,308.15
3 Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	1,236.55	1,285.94
(I) Off-balance sheet exposures		
a) First Loss	-	-
b) Others	-	-
(II) On-balance sheet exposures		
a) First Loss	-	-
b) Others	1,236.55	1,285.94
4 Amount of exposures to assignment transactions other than MRR	756.56	746.18
(I) Off-balance sheet exposures		
a) Exposure to own assignments		
i.) First Loss	-	-
ii.) Others	-	-
b) Exposure to third party assignments		
i.) First Loss	-	-
ii.) Others	-	-
(II) On-balance sheet exposures		
a) Exposure to own assignments	756.56	746.18
i.) First Loss	-	-
ii.) Others	-	-
b) Exposure to third party assignments		
i.) First Loss	-	-
ii.) Others	-	-

(d) Details of Assignment transactions undertaken by HFCs

	For the year ended March 31, 2022	For the year ended March 31, 2021
i) No. of accounts	2504	5159
ii) Aggregate value (net of provisions) of accounts sold	3,004.31	8,778.14
iii) Aggregate consideration	3,004.31	8,778.14
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

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

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

A. Details of non-performing financial assets purchased :

	As at March 31, 2022	As at March 31, 2021
1 (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2 (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

B. Details of Non-performing Financial Assets sold:

	As at March 31, 2022	As at March 31, 2021
1 No. of accounts sold	1309	452
2 Aggregate outstanding (net)	2,172.40	1,368.15
3 Aggregate consideration received	1,925.80	1,176.00



54. Regulatory disclosures

(xii) Disclosure of Restructured Accounts - Micro, Small and Medium Enterprises (MSME) sector as at March 31, 2022

The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC.4/21.04.048/2020-21 dated August 6, 2020.

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
No of accounts restructured	38	24
Amount (Indian rupees in millions)	187.90	105.70

\* Excludes account closed/written off during period.

(xiii) Exposure to real estate sector

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

Category	As at March 31, 2022	As at March 31, 2021
<b>a) Direct exposure</b>		
(i) 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 lakh Rs. 4,518.93 million (Previous Year Rs. 6,117.19 million)]	27,733.32	31,860.02
(ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc).	2,573.22	4,034.05
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

b) Exposure to capital market

Particulars	As at March 31, 2022	As at March 31, 2021
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	Nil	65.72
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	1,513.76	Nil
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	Nil	Nil
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii) bridge loans to companies against expected equity flows / issues	Nil	Nil
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
<b>Total Exposure to Capital Market</b>	<b>1,513.76</b>	<b>65.72</b>



54. Regulatory disclosures

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

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

During the year ended March 31, 2022 and March 31, 2021, the Company's credit exposure (whether in terms of sanctioned amount or entire amount outstanding, whichever is higher) to single borrowers and group borrowers were within the limits prescribed by the RBI.

(xvi) Unsecured Advances

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

(xvii) Remuneration of Directors

The Company has not entered into any transactions with non-executive directors during the year (Previous Year Rs.Nil), except for those disclosed in note 54 (xxxv)

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

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

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

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

(xx) Details of 'provisions and contingencies'

Break up of 'provisions and Contingencies' shown under the head expenditure in statement of profit and loss.	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Provisions for depreciation on investment	Nil	Nil
(ii) Provision towards NPA - (Stage III loans)	36.03	21.16
(iii) Provision made towards income tax	1.15	(51.25)
(iv) Provision for standard assets* (with details like teaser loan, CRE, CRE-RH etc.) - Stage I & II loans	(46.71)	64.07
(v) Other provision and contingencies	Nil	Nil

\* Provision for Stage I & II loans include CRE - RH of Rs 3.76 million (Previous Year Rs (53.23) million), CRE - Non-RH of Rs 1.68 million (Previous Year Rs (11.88) million), Non CRE of Rs (52.14) million (Previous Year Rs 129.18 million)

(xxi)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Standard Assets</b>				
(a) Total Outstanding Amount #	19,667.53	20,969.93	11,153.93	14,207.83
(b) Provisions made	172.58	217.35	143.96	145.90
<b>Sub-Standard Assets**</b>				
(a) Total Outstanding Amount	257.93	932.94	200.76	223.64
(b) Provisions made	38.64	95.64	36.28	20.67
<b>Doubtful Assets - Category-I**</b>				
(a) Total Outstanding Amount	45.80	54.62	75.31	2.01
(b) Provisions made	26.10	5.97	19.31	0.18
<b>Doubtful Assets - Category-II**</b>				
(a) Total Outstanding Amount	11.53	24.91	-	15.93
(b) Provisions made	11.53	2.49	-	1.77
<b>Doubtful Assets - Category-III**</b>				
(a) Total Outstanding Amount	2.87	16.60	5.53	2.51
(b) Provisions made	2.87	1.83	5.53	0.53
<b>Loss Assets**</b>				
(a) Total Outstanding Amount	9.19	2.67	18.33	-
(b) Provisions made	9.19	2.67	18.33	-
<b>TOTAL</b>				
(a) Total Outstanding Amount	19,994.85	22,001.66	11,453.87	14,451.93
(b) Provisions made	260.91	325.95	223.40	169.05

\*\* Represent Stage III loans

Note:

# 1

Standard Assets	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Principal outstanding	19,463.15	20,761.81	10,498.69	13,603.92
Interest accrued	194.48	236.21	181.41	236.16
EIR and other Ind AS adjustment	9.90	(28.09)	473.79	367.75

2 The Category of Doubtful Assets will be as under:

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



54. Regulatory disclosures

(xxii) Draw Down from Reserves

The Company has drawn Rs. 85.07 million (Previous Year Rs. 127.93 million) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2022. Further, pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Non-Banking Finance Companies (including Housing Finance Companies) regulated by Reserve Bank of India.

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

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

Particular	As at	As at
	March 31, 2022	March 31, 2021
Total Deposit of twenty largest depositors	NA	NA
% of deposits to twenty largest depositors to total Deposits of the HFC	NA	NA

Concentration of Loans & Advances

Particular	As at	As at
	March 31, 2022	March 31, 2021
Total Loans & Advances to twenty largest borrowers	3,706.74	3,456.50
% of Loans & Advances to twenty largest borrowers to total advances of the HFC	11.79%	9.48%

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

Particular	As at	As at
	March 31, 2022	March 31, 2021
Total exposures to twenty largest borrowers / customers	3,976.29	3,445.64
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.49%	9.21%

Concentration of NPAs (Stage III loans)

Particular	As at	As at
	March 31, 2022	March 31, 2021
Total exposures to top ten NPAs	134.22	197.87

Sector-wise NPAs (Stage III loans)

SL No.	Sector	% of NPAs to total advances in that sector	
		As at	As at
		March 31, 2022	March 31, 2021
A.	Housing Loans:		
1	Individual	1.80%	4.91%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.00%	9.11%
4	Other (specify)	0.00%	0.00%
B.	Non-Housing Loans:		
1	Individual	3.65%	2.07%
2	Builders / Project Loans	0.00%	0.00%
3	Corporates	0.00%	0.00%
4	Other (HUF & Partnership Firm)	0.88%	0.08%

\* NPAs represents Stage III loans.

(xxiv) Movements of NPAs (Stage III loans)

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

Particular	As at	As at
	March 31, 2022	March 31, 2021
i) Net NPAs to net advances (%)	1.47%	3.15%
ii) Movement of Gross NPAs		
a) Opening balance	1,275.78	760.57
b) Additions during the year	1,839.97	2,330.88
c) Reductions during the year	(2,488.45)	(1,815.67)
d) Closing balance	627.30	1,275.78
iii) Movement of net NPAs		
a) Opening balance	1,144.05	649.99
b) Additions during the year	1,377.74	2,045.97
c) Reductions during the year	(2,062.27)	(1,551.91)
d) Closing balance	459.52	1,144.05
iv) Movement of provisions for NPAs		
a) Opening balance	131.73	110.58
b) Provisions made during the year	462.23	284.91
c) Write-off/write-back of excess provisions	(426.18)	(263.76)
d) Closing balance	167.78	131.73



54. Regulatory disclosures

(xxv) Asset liability management

Maturity pattern of certain items of assets and liabilities  
As at March 31, 2022

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	2.40	-	3,079.84	1,347.95	3,109.76	6,448.26	323.37	174.15	14,485.73
Market Borrowing	-	-	28.14	1,575.75	852.62	223.36	8.63	-	4,256.47	1,499.58	8,444.55
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Gross Advances	0.51	212.68	454.97	458.00	666.15	1,452.00	4,890.89	8,744.61	1,753.87	12,815.04	31,448.72
Investments*	-	-	319.70	-	-	-	-	400.00	400.00	1,498.36	2,618.06
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

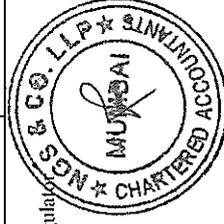
\*Includes Securities held for trading.

As at March 31, 2021

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

\*Includes Securities held for trading.

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



54. Regulatory disclosures

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

As at March 31, 2022

Instrument Category	ICRA (Negative)	CARE (Stable)	Brickworks (Stable)	CRISIL (Negative)	ACUITE (Negative)
i) Long Term Instruments :					
Rating	ICRA A+ / Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative	ACUITE AA/Negative
Amount	57,550.50	30,200.00	6,500.00	36,150.00	5,000.00
ii) Short Term Instruments :					
Rating	NA	CARE A1+	NA	CRISIL A1+	NA
Amount	NA	10,000.00	NA	2,500.00	NA

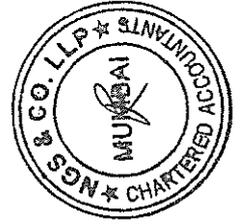
Note:- There were no change in any of above ratings or outlook during the year.

As at March 31, 2021

Instrument Category	ICRA LT-NCD, BLR and LT-Sub Debt	CARE LT-NCD, BLR and LT-Sub Debt	Brickworks LT-NCD and Perpetual Debt	CRISIL LT-NCD, BLR and LT-Sub Debt
i) Long Term Instruments :				
Rating	ICRA A+ / Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative
Amount	60,178.10	30,831.00	8,500.00	35,350.00
ii) Short Term Instruments :				
Rating	NA	CARE A1+	NA	CRISIL A1+
Amount	NA	10,000.00	NA	10,000.00

Following are the migration of ratings during the year:

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



54 Regulatory Disclosures

(xvii) Disclosure of Restructured Accounts

as required by RBI guidelines under reference DNBS, CO, PD, No. 367/03.10.01/2013-14 dated January 23, 2014 read with The Company has restructured the accounts as per RBI circular circulars DBR.No.BP.BC.10021.04.048/2017-18 dated February 7, 2018, DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020.

Sl. No	Type of Restructuring	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total				
		Standard	Sub-standard	Doubtful	Standard	Sub-standard	Doubtful	Standard	Sub-standard	Doubtful	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2021 (Opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY 21-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2022 (Closing figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-





54. Regulatory Disclosures

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

Liabilities side:				
Particulars	Amount outstanding		Amount overdue	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1) Loans and advances availed by HFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	7,935.92	11,676.75	-	-
(ii) Unsecured	508.63	508.61	-	-
b) Deferred credits	-	-	-	-
c) Term loans	14,421.88	22,479.11	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial paper	-	-	-	-
f) Other loans	-	-	-	-
(i) Loan from related parties	2.41	-	-	-
(ii) Bank overdraft	61.44	149.27	-	-
(* Please see note 1 below)				
Assets side:				
2) Break up of loans and advances including bills receivables				
(other than those included in (3) below)				
a) Secured	31,432.08	34,937.09	163.94	301.15
b) Unsecured	16.64	1,516.49	-	-
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities				
a) Lease assets including lease rentals under sundry debtors:				
(i) Financial lease	-	-	-	-
(ii) Operating lease	-	-	-	-
b) Stock on hire including hire charges under sundry debtors				
(i) Assets on hire	-	-	-	-
(ii) Repossessed assets	-	-	-	-
c) Other loans counting towards asset financing Company activities				
(i) Loans where assets have been repossessed	-	-	-	-
(ii) Other loans	-	-	-	-



54. Regulatory Disclosures

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

	As at March 31, 2022	As at March 31, 2021
4) Break up of investments		
Current investments:		
a) Quoted:		
(i) Shares: Equity	-	65.72
Preference	-	-
(ii) Debentures and bonds	-	90.11
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (pass through certificates)	-	-
Long-term investments (net of provision)		
a) Quoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
b) Unquoted:		
(i) Shares: Equity	-	-
Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others : Pass through certificates Security receipts	2,618.06	1,600.86

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

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1. Related parties**						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	16.63	1,012.97	16.63	1,012.97
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	30,947.78	34,446.29	-	499.33	30,947.78	34,945.62
<b>TOTAL</b>	<b>30,947.78</b>	<b>34,446.29</b>	<b>16.63</b>	<b>1,512.30</b>	<b>30,964.41</b>	<b>35,958.59</b>

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

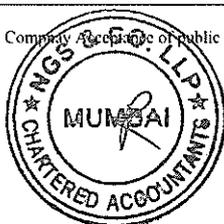
Particulars	Market value/break up or fair value or NAV				Book value (net of provisions)	
	As at March 31, 2022		As at March 31, 2021		As at March 31, 2022	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1) Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group [EARC]	2,010.18	1,010.11	-	-	2,010.18	1,010.11
(c) Other related parties	-	-	-	-	-	-
2) Other than related parties	607.88	590.75	-	-	607.88	590.75
<b>TOTAL</b>	<b>2,618.06</b>	<b>1,600.86</b>	<b>-</b>	<b>-</b>	<b>2,618.06</b>	<b>1,600.86</b>

7) Other information

Particulars	As at March 31, 2022	As at March 31, 2021
	a) Gross non-performing assets	
1) Related parties	-	-
2) Other than related parties	627.30	1,275.78
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	459.52	1,144.05
c) Assets acquired in satisfaction of debt	-	-

Note :

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Company Acceptance of Public Deposits (Reserve Bank) Direction, 1998.



54. Regulatory Disclosures

(xxix) Disclosure on liquidity risk

Public Disclosure on Liquidity Risk for the year ended March 2022 as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

a) Funding Concentration based on significant counterparty (both deposits and borrowings)	As at March 31, 2022	As at March 31, 2021
Number of significant counterparties*	8	12
Amount of borrowings from significant counterparties	18,326.97	28916.36
% of Total deposits	NA	NA
% of Total liabilities**	57.65%	69.37%

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

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

b) Top 20 large deposits

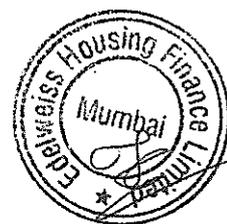
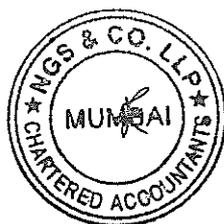
The Company being a Systemically Important Non-Deposit taking Housing Finance Company registered with National Housing Bank, does not accept public deposits.

c) Top 10 Borrowings	As at March 31, 2022	As at March 31, 2021
Amount of Borrowings from top 10 lenders	18,526.97	27978.86
% of Total Borrowings	80.80%	80.37%

d) Funding Concentration based on significant instrument/product*	As at March 31, 2022		As at March 31, 2021	
	Amount	% of Total Liabilities**	Amount	% of Total Liabilities**
<b>Market Borrowings</b>				
Non Convertible Debentures	7,935.92	24.96%	11,676.75	28.01%
Sub-ordinated Debentures	508.63	1.60%	508.61	1.22%
<b>Other Borrowings</b>				
Term Loans	13,221.88	41.59%	21,279.11	51.05%
Working Capital Demand Loan/OD/CC	1,261.44	3.97%	1,200.00	2.88%

\* "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the HFC's total liabilities.

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



## 54. Regulatory Disclosures

c) Stock Ratios	As at March 31, 2022	As at March 31, 2021
Commercial papers as a % of total public funds*	0.00%	0.00%
Commercial papers as a % of total liabilities	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%	0.00%
Other short-term liabilities**, if any as a % of total public funds	5.78%	3.88%
Other short-term liabilities**, if any as a % of total liabilities	4.17%	3.24%
Other short-term liabilities**, if any as a % of total assets	3.35%	2.74%

\* "Total public funds" refers to the aggregate of Debt securities, Borrowing other than debt securities and Subordinated liabilities.

\*\* "Other short-term liabilities" refers to the borrowing in short term in nature.

## f) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee/ Risk 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;

Guides in developing risk management policies and procedures and monitor adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and

The Company has a Liquidity Contingency plan 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 cash balance, Liquid debt mutual Fund schemes, bank fixed deposits and undrawn cash credit limits etc. These assets carry minimal credit risk and can be liquidated in a very short period. A comfortable liquidity cushion is

There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.



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

54. Regulatory Disclosures

(xxx) Prudential Floor for ECL  
As at March 31, 2022

Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between
						Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
<b>Performing Assets</b>						
Standard	Stage 1	27,937.60	89.93	27,847.67	120.72	(30.80)
Subtotal	Stage 2	2,883.82	226.60	2,657.22	139.37	87.23
		30,821.42	316.53	30,504.89	260.10	56.43
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	458.71	74.91	383.80	94.53	(19.62)
Doubtful - up to 1 year	Stage 3	121.13	45.41	75.72	44.66	0.75
1 to 3 years	Stage 3	11.53	11.53	0.00	11.53	-
More than 3 years	Stage 3	8.40	8.40	0.00	8.40	-
Subtotal for doubtful		141.06	65.34	75.72	64.59	0.75
Loss	Stage 3	27.54	27.53	0.00	27.53	-
Subtotal for NPA		627.30	167.78	459.52	186.65	(18.87)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	859.47	-	859.47	-	-
	Stage 2	8.50	-	8.50	-	-
	Stage 3	3.94	-	3.94	-	-
Subtotal		871.91	-	871.91	-	-
<b>Total</b>						
	Stage 1	27,937.60	89.93	27,847.67	120.72	(30.80)
	Stage 2	2,883.82	226.60	2,657.22	139.37	87.23
	Stage 3	627.30	167.78	459.52	186.65	(18.87)
	<b>Total</b>	31,448.72	484.31	30,964.41	446.75	37.56



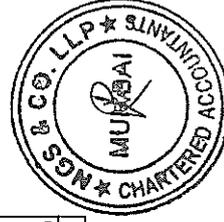
Edelweiss Housing Finance Limited  
Notes to the financial statements for the year ended March 31, 2022 (Continued)  
(Currency : Indian rupees in millions)

54. Regulatory Disclosures

(xxx) Prudential Floor for ECL  
As at March 31, 2021

Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109		Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
	1	2					
<b>Performing Assets</b>							
Standard		Stage 1	30,886.32	82.28	30,804.04	137.44	(55.16)
		Stage 2	4,291.44	279.42	4,012.02	32.14	247.28
<b>Subtotal</b>			<b>35,177.76</b>	<b>361.70</b>	<b>34,816.06</b>	<b>169.58</b>	<b>192.12</b>
<b>Non-Performing Assets (NPA)</b>							
Substandard		Stage 3	1,156.63	114.89	1,041.73	163.33	(48.44)
Doubtful - up to 1 year		Stage 3	56.63	6.15	50.48	11.77	(5.61)
1 to 3 years		Stage 3	40.84	4.26	36.58	10.87	(6.61)
More than 3 years		Stage 3	19.06	2.36	16.70	12.57	(10.21)
<b>Subtotal for doubtful</b>			<b>116.53</b>	<b>12.77</b>	<b>103.76</b>	<b>35.21</b>	<b>(22.44)</b>
<b>Loss</b>		Stage 3	2.67	2.67	-	2.67	-
<b>Subtotal for NPA</b>			<b>1,275.82</b>	<b>130.33</b>	<b>1,145.49</b>	<b>201.21</b>	<b>(70.88)</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms		Stage 1	1,257.25	0.97	1,256.28	-	0.97
		Stage 2	10.02	0.58	9.44	-	0.58
		Stage 3	13.99	1.40	12.59	-	1.40
<b>Subtotal</b>			<b>1,281.26</b>	<b>2.95</b>	<b>1,278.32</b>	<b>-</b>	<b>2.95</b>
<b>Total</b>		Stage 1	32,143.57	83.25	32,060.32	137.44	(54.19)
		Stage 2	4,301.47	280.47	4,020.99	32.14	248.33
		Stage 3	1,289.82	131.73	1,158.08	201.21	(69.48)
		<b>Total</b>	<b>37,734.85</b>	<b>495.45</b>	<b>37,239.40</b>	<b>370.79</b>	<b>124.66</b>



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

**54. Regulatory disclosures**

(xxxI) **Overseas Assets**

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

(xxxii) **Off-balance Sheet SPV's sponsored - None (Previous Year: None)**

(xxxiii) **Disclosure of complaints**

**Customer complaints**

Particular	As at	As at
	March 31, 2022	March 31, 2021
(a) No. of complaints pending at the beginning of the year	5	3
(b) No. of complaints received during the year	312	214
(c) No. of complaints redressed during the year	315	212
(d) No. of complaints pending at the end of the year	2	5

(xxxiv) **Company information**

The Company has its operations in India and it does not have any joint venture partners with regard to Joint ventures and overseas subsidiaries as at and for the year ended March 31, 2022 and March 31, 2021.

(xxxv) **Details of transaction with non executive directors**

Name of the Director	Nature of Transaction	For the year ended	For the year ended
		March 31, 2022	March 31, 2021
Gautam Chatterjee	Sitting fees	0.08	-
Biswamohan Mahapatra	Sitting fees	0.32	0.10
Sunil Phatarphekar	Sitting fees	0.28	0.28
Mr. P N Venkatachalam	Sitting fees	0.14	0.40

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

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

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



**Edelweiss Housing Finance Limited**

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

(Currency : Indian rupees in millions)

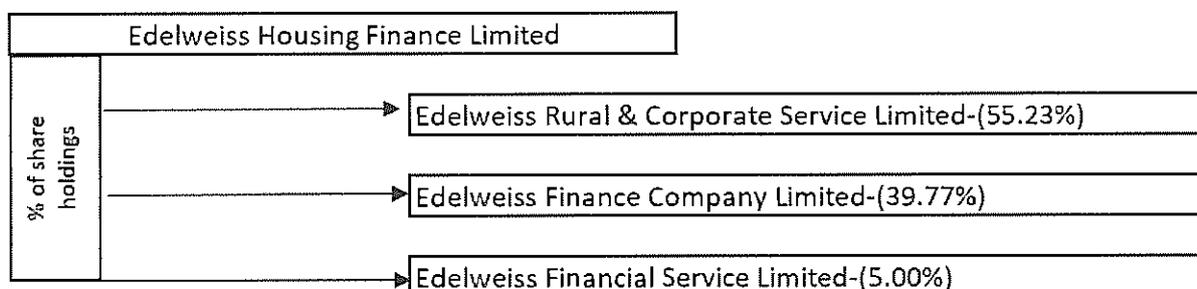
**55. Regulatory disclosures**

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

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	111	14.41	-	(25.25)	85.90
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>111</b>	<b>14.41</b>	<b>-</b>	<b>(25.25)</b>	<b>85.90</b>

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

- (ii) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022 (Previous Year Nil)
- (iii) Diagrammatic representation of group structure given below:

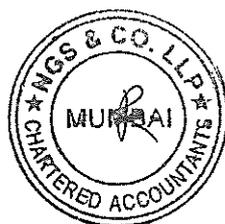


- (iv) Principal Business Criteria for the Company to be classified as “Housing Finance Company” as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 is given below

	31 March 2022*	31 March 2021*
Percentage of total assets towards housing finance*	50.59%	44.67%
Percentage of total assets towards housing finance for individuals	45.41%	41.36%

\*Minimum regulatory percentage to be complied from 31 March, 2022 onwards for housing to Individual 40% and towards Housing Finance 50%.

- a) It is an NBFCL whose financial assets, in the business of providing finance for housing, constitute at least 80% of its total assets (netted off by intangible assets).
- (b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.
- (v) Company does not have any exposure to group companies engaged in real estate business during the current and previous year.



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

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

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
Firm's Registration No. 119850W



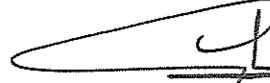
For R.P.Soni  
Partner  
Membership No. 104796



Place : Mumbai  
Date : May 06, 2022

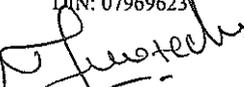
8

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



Rajat Avasthi  
MD & CEO  
DIN: 07969623

Shilpa Gattani  
Director  
DIN: 05124763



Tushar Kotecha  
Chief Financial Officer



Girish Manik  
Company Secretary  
Membership No.A26391

NOTICE is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of Edelweiss Housing Finance Limited will be held on Monday, May 30, 2022 at 10.00 a. m. at the Registered Office of the Company at Tower 3, Wing ' B', Kohinoor City Mall, Kohinoor City, Kirool Road, Kurla (west), Mumbai - 400070 to transact the following business:-

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### ORDINARY BUSINESS

1. To consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board and the Auditors thereon.
2. To appoint a Director in place of Ms. Shilpa Gattani (DIN: 05124763), who retires by rotation and, being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

#### 3. Approving amendments to the overall borrowing limits of the Company

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

“RESOLVED that in supersession of the resolution passed by the members at the Extraordinary General Meeting held on January 24, 2019 consent of the Members be and is hereby accorded, pursuant to Sections 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), and the Rules framed thereunder to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for borrowing from time to time, any sum or sums of money for the purposes of the Company, upon such terms and conditions and with or without security, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes and Securities Premium Account of the Company, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed Rs. 8,000 crores (Rupees Eight Thousand Crores only).”

RESOLVED FURTHER THAT in connection with the aforesaid, the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

#### 4. Issue of Non-Convertible Debentures

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

“**RESOLVED THAT** that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (the Rules), SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable SEBI Rules and Regulations, as amended from time to time and pursuant to the provisions of RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time and further subject to the provisions of any other applicable statutes, Regulations, if any, including any statutory modification(s) or re-enactment thereof, and the provisions of the Memorandum & Articles of Association of the Company and subject to the approvals, consents, permissions, exemptions and /or sanction of the appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions, as may be prescribed by any of them while granting any such approval, consent, permission, exemption or sanction, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures (“the Debentures”), aggregating to Rs. 3,500 crores (Rupees Three Thousand Five Hundred Crores only), during a period of one year from October 1, 2022 to September 30, 2023, to the eligible investors, on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and wherever necessary, in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and/or any other agency(ies) which the Board may deem fit and appropriate, however at any given point of time the aggregate limit of funds raised/ to be raised by the Company, including issue of Debentures shall not exceed the overall borrowing limits of the Company as amended, from time to time.

**RESOLVED FURTHER THAT** subject to and in accordance with the provisions of the Act, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including delegation of powers extended unto the Board herein, and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company.

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



**Girish Manik**  
Company Secretary  
Membership No: ACS 26391

Place: Mumbai

Date: May 26, 2022

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY SHALL NOT VOTE EXCEPT ON A POLL. A PERSON CAN ACT AS PROXY FOR AND ON BEHALF OF A MAXIMUM OF FIFTY (50) MEMBERS NOT HOLDING, IN AGGREGATE, MORE THAN TEN PERCENT OF THE TOTAL PAID-UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL PAID-UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE GENERAL MEETING ('GM') IS ENCLOSED HERewith. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business is annexed hereto and forms part of the notice.
3. Ms. Shilpa Gattani is interested in Item no 2 as Director of the Company.
4. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the General Meeting.
5. Members / Proxies should fill in the attendance slip for attending the Meeting. Proxy form as prescribed under the Companies Act, 2013 is enclosed.
6. All documents referred to in the accompanying Notice and Explanatory Statement are open and available for inspection at the Registered Office of the Company on all working days between 11:00 a.m. and 1:00 p.m., up to the date of this Meeting. The aforesaid documents will also be available for inspection at the General Meeting.
7. The route map showing directions to reach the venue of the General meeting is annexed.

**Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.**

**Item No.: 3 -**

The members at the Extraordinary General Meeting held on January 24, 2019, had approved the limits for borrowing monies in excess of the paid-up share capital and free reserves of the Company up to Rs. 10,000 crores and to secure the re-payment thereof.

Keeping in view the requirements of Balance Sheet size and recent changes in the business environment and Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, the Members are requested to consider reduction in the borrowing limits from Rs. 10,000 crores to Rs. 8,000 crores.

As per the provisions of Section 180(1)(c) of the Act, a company cannot borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, unless approval of the Members is obtained by way of a Special Resolution.

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Members is obtained by way of a Special Resolution.

In connection with the loan/ credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Act), for the purposes of securing the loan/ credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant Loan/ facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/ disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/ disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Act.

In view of the revision in the borrowing limit as set out in Item No. 3, the Board recommends a revision in the limit up to which charge can be created on assets/ properties in line with the revised borrowing limit.

Accordingly, the Board recommends the passing of the Resolution set out in Item No. 3 as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives, except to the extend of their holding of securities, if any, are in any way, concerned or interested, financially or otherwise, in the aforesaid Resolutions.

#### **Item No. 4**

The Members of the Company had at the Annual General Meeting held on June 17, 2021, by way of a Special Resolution, authorised the Board of Directors of the Company (which term includes any Committee of the Board to exercise its powers including the powers conferred by the Resolution) to issue Non-Convertible Debentures (“Debentures”) on a private placement basis up to an amount not exceeding Rs. 3,500 Crores (Rupees three thousand five hundred crores only), in one or more tranches, and the said approval will remain valid during a period of one year from October 1, 2021 to September 30, 2022.

In order to meet the fund requirements, the Company proposes to continue to issue and allot, from time to time, secured/ unsecured/ perpetual/ Tier-II subordinated NCDs on a Private Placement Basis, in one or more tranches, to the eligible investors in accordance with the provisions of Sections 42 and 71 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (“Rules”), SEBI (Issue and Listing of Debt Securities) Regulations, 2008, relevant provisions of the National Housing Bank (NHB) Directions/ Reserve Bank of India (RBI) Directions, Rules and Regulations, if any, as applicable, up to an amount not exceeding Rs. 3,500 Crores (Rupees Three thousand five hundred crores only). The NCDs may be issued at par or at a premium and may be listed on the Stock Exchange(s), on such other terms and conditions as the Board or the Committee may determine. Towards that, the Company hereby seeks approval of the Members by way of a Special Resolution.

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

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

Resolution for issue of NCDs on a Private Placement Basis for a value not exceeding Rs. 3,500 Crores, in one or more tranches, had been passed by the Board in its meeting held on May 6, 2022. The Board shall determine specific terms and conditions of the offer at the time of issuance of respective series/ tranche of NCDs.

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

Secured/ unsecured/ perpetual/ listed and/or unlisted Non-Convertible Debentures. Issue Price of Non-Convertible Debentures (NCDs) shall be determined at the time of issue of respective series/ tranche of NCDs and each tranche may be issued at par or premium or discount depending upon the market scenario and various other factors impacting the price of non-convertible debentures in general. The Directors recommend the resolution at item no. 4 of the accompanying Notice, for the approval of the Members by way of Special resolution.

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

Not Applicable.

**d) Name and address of valuer who performed valuation:**

Not Applicable

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

Amount aggregating upto Rs. 3,500 Crores (Rupees three thousand five hundred Crores only) in one or more tranches.

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

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

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

The Board recommend the Resolution at Item No. 4 of the accompanying Notice, for the approval of the Members by way of Special Resolution.

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

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



*Girish Manik*

**Girish Manik  
Company Secretary  
Membership No: ACS 26391**

Place: Mumbai

Date: May 26, 2022

**Registered Office:**

Tower 3, Wing 'B', Kohinoor City Mall,  
Kohinoor City, Kirool Road,  
Kurla (west), Mumbai - 400070  
CIN: U65922MH2008PLC182906

Details of Directors seeking appointment at this Annual General Meeting of the Company pursuant to Secretarial Standard on General Meetings (SS-2) are provided below and forms part of the Explanatory Statement:

<b>Particulars</b>	<b>Ms. Shilpa Gattani</b>
<b>Age</b>	44 years
<b>Date of first appointment</b>	September 23, 2020
<b>Experience in functional area</b>	Ms. Shilpa Gattani has over 16 years of professional work experience. She has been with Edelweiss since 2005 and is instrumental in starting the fixed income desk at Edelweiss. She has been leading this department since the last 6 years and has institutionalized the business to greater heights. Before being the head of Treasury Management business she was Head of Resources at Edelweiss Group wherein she was responsible for fund raising in the money market and Asset Liability Management. Over the period of last 10 years, she has built strong relationships with fund houses, banks and other financial institutions. Prior to this, Shilpa was company secretary for the Edelweiss Group and responsible for governance and secretarial functions.
<b>Qualifications</b>	Member of Institute of Company Secretaries of India and has done her Masters in Business Administration.
<b>Terms and conditions of Appointment/ Re-appointment</b>	Liable to retire by rotation
<b>Remuneration to be paid and Remuneration last drawn</b>	N.A.
<b>No. of Board Meetings attended during the year</b>	6
<b>Relationship with other Directors and Key Managerial Personnel</b>	None
<b>No of shares held in the Company</b>	Nil
<b>Directorship in other companies</b>	Edelweiss Retail Finance Limited
<b>Membership/ Chairmanship of Companies Act Committees of other public limited companies.</b>	<b>Edelweiss Retail Finance Limited</b> Member of: 1. Audit Committee 2. Corporate Social Responsibility Committee 3. Stakeholders Relationship Committee 4. Nomination and Remuneration Committee

### ATTENDANCE SLIP

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

Full name of the Member attending (in block letters): \_\_\_\_\_

Name of the Proxy: \_\_\_\_\_

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

I hereby record my presence at the 14<sup>th</sup> Annual General Meeting of the Company to be held on Monday, May 30, 2022 at 10.00 a.m. at Registered Office of the Company at Tower 3, Wing ' B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (west), Mumbai - 400070, India.

No. of Shares held : \_\_\_\_\_

DP ID/Client ID No. : \_\_\_\_\_

Regd. Folio No. : \_\_\_\_\_

Member's/Proxy's Signature : \_\_\_\_\_

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022

**PROXY FORM**

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

Name of the Members(s): \_\_\_\_\_ Registered address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Folio No. / Client ID No.: \_\_\_\_\_ DP ID No. \_\_\_\_\_

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

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_ Address: \_\_\_\_\_  
Signature: \_\_\_\_\_  
\_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_ Address: \_\_\_\_\_  
Signature: \_\_\_\_\_  
\_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_ Address: \_\_\_\_\_  
Signature: \_\_\_\_\_  
\_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14<sup>th</sup> Annual General Meeting of the Company to be held on Monday, May 30, 2022 at 10.00 a.m. at Registered office of the Company at Tower 3, Wing ' B', Kohinoor City Mall, Kohinoor City, Kiroil Road, Kurla (west), Mumbai – 400070, India and at any adjournment thereof in respect of such resolution as indicated below:

Sr. No.	Particulars of Motion
1.	Adoption of the audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board and the Auditors thereon.
2.	Appointment of Director in place of Ms. Shilpa Gattani, who retires by rotation and, being eligible, offers herself for re-appointment.
3.	Approving amendments to the overall borrowing limits of the Company.
4.	Issue of Non-Convertible Debentures.

Signed this \_\_\_\_ day of \_\_\_\_\_ 2022  
Signature of shareholder \_\_\_\_\_  
Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

Note:

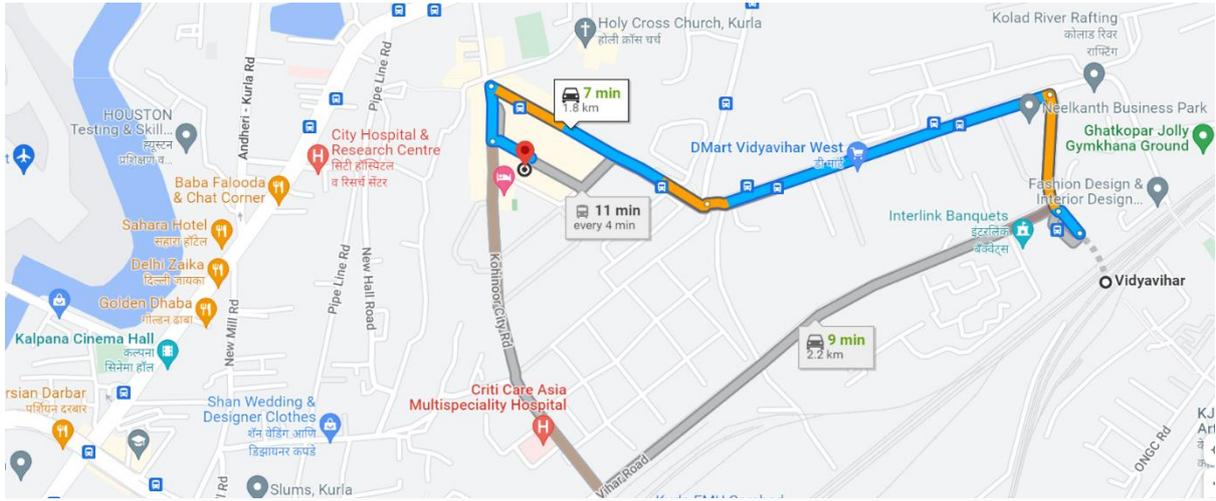
1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Tower 3, Wing ' B', Kohinoor City Mall, Kohinoor City, Kirool Road, Kurla (west), Mumbai - 400070, India, not less than 48 hours before the commencement of the Meeting.
2. A member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself.

## ROAD MAP FOR THE VENUE OF THE GENERAL MEETING OF EDELWEISS HOUSING FINANCE LIMITED

AGM Venue - Tower 3, Wing ' B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (west), Mumbai - 400070

Prominent Landmark: Kohinoor City Mall.

### Route map for the venue of the meeting



#### Edelweiss Housing Finance Limited

Corporate Identity Number: U65922MH2008PLC182906

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

✉ homeservice@edelweissfn.com @ www.edelweisshousingfn.com