

Edelweiss Rural & Corporate Services Limited

Corporate Identity Number: U45201TG2006PLC078157

Financial Statement for the year ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Rural & Corporate Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Edelweiss Rural & Corporate Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 standalone 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (expected credit losses) (as described in Note 52(C) of the standalone financial statements)	



Key audit matters	How our audit addressed the key audit matter
<p>Ind AS 109 requires the Company to provide for impairment of its financial assets as at the reporting date using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets (loan portfolio).</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ul style="list-style-type: none"> • Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Assigning internal rating grades to customers for which external rating is not available; • Calibrating external ratings-linked probability of default to align with past default rates; • Estimation of management overlay for macro-economic factors bearing a correlation with the credit quality of the Company's loan portfolio. 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 • Tested the design and operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • We performed procedures to test the inputs used in the ECL computation, on a sample basis. • Tested assumptions used by the management in determining the overlay for macro-economic factors. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.
<p>In view of the high degree of management's judgement involved in estimation of ECL it is a key audit matter.</p>	
<p>Information technology (IT) systems and controls</p>	
<p>The reliability and security of IT systems play a key role in the business operations, financial accounting and reporting process of the Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors:</p> <ul style="list-style-type: none"> • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.



Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none">Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report.

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

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

Responsibilities of Management for the Standalone Financial Statements

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

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

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

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

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

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



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 41 to the standalone financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. ~~There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;~~
 - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 72 to the standalone 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 72 to the standalone financial statements, no funds have been received by the Company from any persons or entities, 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 performed that have been 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.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

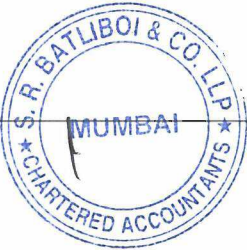
Partner

Membership Number: 102102

UDIN: 23102102BGXJEA2883

Place of Signature: Mumbai

Date: May 22, 2023



ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Edelweiss Rural & Corporate Services Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state 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 and are verified by the management according to a phased programme designed to cover all the items 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 the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
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- (e) 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 require maintenance of inventories and, accordingly the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company had not been sanctioned any new working capital limit during the year. In respect of in the overdraft facility outstanding last year, pursuant to confirmation received from the said bank, there were no requirement to file any return/statement with the bank.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies or any other parties as follows:

Amounts in Rs. millions

Particulars	Guarantees	Security	Loans	Advances in nature of loans	Put Options
Aggregate amount granted/ provided during the year					
Holding Company	-	-	4,786.80	-	-
Subsidiaries	3,650.00	-	5,619.98	-	-
Fellow Subsidiaries	-	-	12,215.09	-	-
Others	-	-	794.10	-	988.02
Balance outstanding as at balance sheet date in respect of above cases					



Holding Company	701.80	-	-	-	-
Subsidiaries	4,643.85	-	Nil (Net of provision of Rs. 5,889.73)	-	-
Fellow Subsidiaries	149.30	-	220.00	-	-
Others		-	Rs. 63.45 (Net of provision of Rs. 1,602.5)	-	-

*As disclosed in note 41.1 (b) to the standalone financial statements, charge created on immovable properties of the Company amounting to Rs. 585.50 million.

- (b) During the year 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, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (c) In respect of a loans granted to group companies, schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. In respect of loans granted to companies other than related parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

Name of the Entity	Amounts in Rs. Million	Due date	Extent of delay	Remarks, if any
Various parties	Rs. 4,073.5	Various	>90 days	Rs. 1,653.0 million outstanding as on 31 March 2023. Provision made in earlier years amounting to Rs. 1,602.5 million

- (d) The following amounts are overdue for more than ninety days from companies or any other parties to whom loan has been granted, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Name of the Entity	Amounts in Rs. Million	Due date	Extent of delay	Remarks, if any
Various parties	Rs. 4,073.5	Various	>90 days	Rs. 1,653.0 million outstanding as on 31 March 2023. Provision made in earlier years amounting to Rs. 1,602.5 million

- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) 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) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments/ given loans /guarantees which is in compliance to the provisions of section 186 of the Companies Act 2013.
- (v) 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, 2013 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) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess, value added tax and other statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to custom, duty of excise, and sales tax are not applicable to Company.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	9.97 (demand paid under protest Rs. 1.99)	A.Y. 2015-16	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.79 (demand paid under protest Rs. 0.16)	A.Y. 2017-18	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	6.09 (demand paid under protest Rs. 0.01)	A.Y. 2018-19	The Commissioner of Income Tax (Appeals)
Rajasthan Value Added Tax	Value Added Tax	26.63 (demand paid under protest Rs. 13.50)	F.Y 2010-11	Tax Board
Madhya Pradesh Value Added Tax	Value Added Tax	2.74 (demand paid under protest Rs. 0.59)	F.Y 2012-13	Assistant Commissioner
Uttar Pradesh Value Added Tax	Value Added Tax	55.16 (demand paid under protest Rs. 11.03)	F.Y 2015-16	Commercial Tax Tribunal
Gujarat Value Added Tax	Value Added Tax	29.39 (demand paid under protest Rs. nil)	F.Y 2014-15	Joint Commissioner (Appeals)
Gujarat Value Added Tax	Value Added Tax	53.68 (demand paid under protest Rs. 6.3)	F.Y 2016-17	Joint Commissioner (Appeals)



Gujarat Value Added Tax	Value Added Tax	7.04 (demand under protest paid Rs. 0.75)	F.Y. 2017-18	Deputy Commissioner
Gujarat (GST)	GST	24.41 (demand under protest paid Rs. 1.82)	F.Y. 2018-19	Commissioner of Appeals
Gujarat (GST)	GST	27.46 (demand under protest paid Rs. 2.12)	F.Y. 2019-20	Commissioner of Appeals
Maharashtra (GST)	GST	1.68 (demand under protest paid Rs. 0.08)	F.Y. 2018-19	Commissioner of Appeals
Rajasthan (GST)	GST	5.06 (demand under protest paid Rs. Nil)	F.Y. 2017-18	Assistant Commissioner of Appeals
Rajasthan Value Added Tax	Value Added Tax	19.99 (demand under protest paid Rs. Nil)	F.Y. 2015-16	Commissioner of Appeals

(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) 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 government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis aggregating to Rs.5,087 million for long-term purposes.

(e) On an overall examination of the financial statements of the Company, the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures as per details below:

Nature Of fund taken	Name of lender	Amount involved	Name of the subsidiary,	Relation	Nature of transaction for which funds utilized
Group Company loan	Various group companies	Rs. 4,427.7 million	Edelweiss Investment Advisor Limited	Subsidiary	Amount utilised for lending to the subsidiary of the Company to repay its existing liabilities
Group Company loan	Various group companies	Rs. 2,321.7 million	Ecap Equities Limited	Associate	Amount utilised for lending to the associate of the Company to repay its existing liabilities

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.



- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the 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 /fully or partially or optionally convertible debentures 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) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial 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) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 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.
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- (xiv) (a) ~~The Company has an internal audit system commensurate with the size and nature of its business.~~
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) 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) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) 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) The Group has one Core Investment Company as part of the Group.
- (xvii) The Company has incurred cash losses amounting to Rs. 1090.4 million and amounting to Rs. 290.8 million in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



(xix) On the basis of the financial ratios disclosed in note 62 to the financial statements, the 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 and considering the Company's current liabilities exceeds the current assets by INR 761.1 million, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe 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.

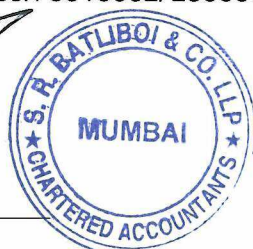
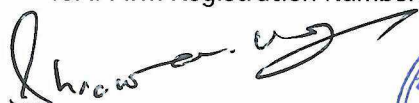
We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts 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 51 to the financial statements.
- (b) There are no unspent amounts 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 51 to the financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 23102102BGXJEA2883

Place of Signature: Mumbai

Date: May 22, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Edelweiss Rural & Corporate Services Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Edelweiss Rural & Corporate Services Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of



management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 23102102BGXJEA2883

Place of Signature: Mumbai

Date: May 22, 2023



Edelweiss Rural & Corporate Services Limited

Balance Sheet as at 31 March 2023

(Currency: Indian rupees in millions)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	2,094.32	2,298.90
(b) Investment property	2	1,677.69	1,926.05
(c) Other intangible assets	2	9.52	8.93
(d) Intangible assets under development	2	-	-
(e) Financial Assets			
(i) Investments	3	12,586.26	22,460.78
(ii) Bank balances other than cash and cash equivalents	4	378.39	340.36
(iii) Loans	5	61.33	8,051.19
(iv) Other financial assets	6	33.47	32.46
(f) Deferred tax assets (net)	7	887.25	1,101.16
(g) Income tax assets (net)	8	1,559.07	1,546.13
(h) Other non-current assets	9	18.78	18.83
Total Non-current assets		19,306.08	37,784.79
Current assets			
(a) Financial Assets			
(i) Stock-in-trade	10	178.00	624.98
(ii) Investments	11	6,603.75	3.65
(iii) Trade & Other receivables	12	352.40	187.90
(iv) Cash and cash equivalents	13	75.92	117.79
(v) Bank balances other than cash and cash equivalents	14	47.30	67.49
(vi) Loans	15	236.33	2,884.32
(vii) Other financial assets	16	2.12	4.29
(b) Other current assets	17	217.66	231.56
Total Current Assets		7,713.48	4,121.98
TOTAL ASSETS		27,019.56	41,906.77
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	465.35	465.35
(b) Instruments entirely equity in nature	18	9,500.00	9,500.00
(c) Other equity	19	(5,639.79)	(3,672.77)
Total Equity		4,325.56	6,292.58
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	14,144.97	15,700.65
(ii) Other financial liabilities	21	67.96	142.00
(iii) Lease liabilities	45	1.14	3.07
(b) Provisions	22	5.29	5.32
Total Non-current liabilities		14,219.36	15,851.04
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	7,954.14	19,386.41
(ii) Trade payables	24	-	2.07
Total outstanding dues of micro enterprises and small enterprises		-	2.07
Total outstanding dues to creditors other than micro enterprises and small enterprises		220.84	95.12
(iii) Other financial liabilities	25	266.15	239.67
(b) Other current liabilities	26	28.75	38.49
(c) Provisions	27	4.76	1.39
Total Current liabilities		8,474.64	19,763.15
Total Liabilities		22,694.00	35,614.19
TOTAL EQUITY AND LIABILITIES		27,019.56	41,906.77

Significant accounting policies

The accompanying notes are an integral part of the financial statements

1

As per our report of even date attached.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102



Mumbai
May 22, 2023

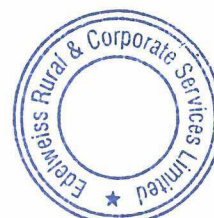
For and on behalf of the Board of Directors of
Edelweiss Rural & Corporate Services Limited

Ravindra Dhobale
Executive Director & CFO
DIN No.: 05147051

Chirag Shah
Company Secretary

Mumbai
May 22, 2023

Ananya Suneja
Director
DIN No.: 07297081



Statement of Profit and loss for the year ended 31 March 2023

(Currency : Indian rupees in millions)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
Fee and commission income	28	783.34	754.23
Net gain/(loss) on fair value changes	29	(43.85)	(589.05)
Interest income	30	1,778.59	4,537.67
Sale of commodities		4,729.50	4,584.77
Other operating revenue	31	355.42	367.72
Total Revenue from operations		7,603.00	9,655.34
Other income	32	409.17	1,185.97
Total Revenue		8,012.17	10,841.31
Expenses			
Purchases of commodities		4,726.53	4,583.05
Impairment on financial instruments	33	198.83	120.65
Employee benefits expense	34	431.67	537.04
Finance costs	35	3,254.23	5,399.90
Depreciation and amortisation	2	463.60	408.72
Other expenses	36	690.39	612.43
Total expenses		9,765.25	11,661.79
Profit / (Loss) before tax		(1,753.08)	(820.48)
Tax expenses			
(1) Current tax		-	-
(2) Deferred tax (net)		215.46	(74.47)
Profit / (Loss) after tax for the year		(1,968.54)	(746.01)
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans		(4.19)	(27.82)
Deferred Tax Benefit on above		1.46	9.72
Total Other Comprehensive Income / (Loss)		(2.73)	(18.10)
Total Comprehensive Income / (Loss)		(1,971.27)	(764.11)
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic	43	(27.23)	(11.38)
(2) Diluted		(27.23)	(11.38)

Significant accounting policies

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

1

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

per Shrawan Jalan
Partner
Membership No: 102102



Mumbai
May 22, 2023

For and on behalf of the Board of Directors
Edelweiss Rural & Corporate Services Limited

Ravindra Dhobale
Executive Director & CFO
DIN No.: 05147051

Chirag Shah
Company Secretary

Ananya Suneja
Director
DIN No.: 07297081

Mumbai
May 22, 2023



Edelweiss Rural & Corporate Services Limited

Statement of Cash Flow for the year ended 31 March 2023
(Currency : Indian rupees in millions)

	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities		
Loss before tax	(1,753.08)	(820.48)
Adjustments for		
Impairment on financial instruments (net)	(49.15)	120.65
Depreciation and amortisation expense	463.60	408.72
Profit / (loss) on sale of fixed assets (net)	8.47	(4.24)
Provision for employee benefits	3.38	29.17
Profit / (Loss) on sale of current and non-current investments	(111.69)	(1,059.15)
Fair valuation of non-current investments	356.25	235.39
Share of profit from partnership firm	(0.04)	(4.15)
Finance costs	3,248.02	5,316.63
Operating cash flow before working capital changes	2,165.76	4,222.54
Changes in working capital		
(Increase) / Decrease in trade receivables	394.79	32.77
(Increase) / Decrease in stock-in-trade	446.99	1,068.94
(Increase) / Decrease in loans and advances	10,637.85	10,217.53
(Increase) / Decrease in other assets	(8.54)	439.03
Increase / (Decrease) in Trade Payable	120.26	(349.53)
Increase / (Decrease) in liabilities and provisions	(51.02)	(825.44)
Cash (used in) / generated from operations	13,706.09	14,805.84
Taxes refund/ (paid) (net)	(14.49)	31.11
Net cash generated from operating activities - A	13,691.60	14,836.95
B Cash flow from investing activities		
Purchase of property, plants and equipment	(20.69)	(409.44)
Proceeds from sale of property, plants and equipment	0.98	176.40
Net addition of capital work in Progress	-	2.06
Purchase current and non-current investments	(568.92)	(10,364.56)
Sale current and non-current investments	3,092.93	1,803.46
Net cash generated from / (used in) investing activities - B	2,504.30	(8,792.08)
C Cash flow from financing activities		
(Repayment of) / Proceeds from loans (net) (Refer note 1)	(8,140.35)	(3,384.80)
Proceeds from / (Redemption of) subordinated liabilities	(1,787.40)	-
Issue of Equity share capital	-	2,501.20
Proceeds from issuance of commercial paper	-	250.00
Redemption of commercial paper	(2,809.25)	-
Principal repayment of leases (Ind AS 116)	(1.89)	(24.54)
Interest paid	(3,498.88)	(5,592.54)
Net cash (used in) / generated from financing activities - C	(16,237.77)	(6,250.68)
Net increase in cash and cash equivalents (A+B+C)	(41.87)	(205.81)
Cash and cash equivalents as at the beginning of the year	117.79	323.60
Cash and cash equivalents as at the end of the year	75.92	117.79



Edelweiss Rural & Corporate Services Limited

Statement of Cash Flow for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

Note:

- 1 Bank receipt and Bank payments for transaction with group companies in which turnover is quick, the amount are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flow.
- 2 Above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" specified under Section 133 of Companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014.

	As at 31 March 2023	As at 31 March 2022
Note:		
3 Component of cash and cash equivalents		
Balances with banks		
in current accounts	75.92	108.24
in fixed deposits with original maturity less than 3 months	-	9.55
	<u>75.92</u>	<u>117.79</u>

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

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



per Shrawan Jalan
Partner
Membership No: 102102

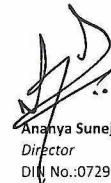


Mumbai
May 22, 2023

For and on behalf of the Board of Directors of
Edelweiss Rural & Corporate Services Limited



Ravindra Dhobale
Executive Director & CFO
DIN No.:05147051



Ananya Suneja
Director
DIN No.:07297081



Chirag Shah
Company Secretary

Mumbai
May 22, 2023



(Currency : Indian rupees in millions)
Statement of changes in Equity

Equity share capital

Balance as at 01 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the current year	Balance at the end of the reporting period (31 March 2023)
465.35	-	465.35	-	465.35

Equity share capital

Balance as at 01 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital	Balance at the end of the reporting period (31 March 2022)
397.75	-	397.75	67.60	465.35

Refer Note 18 for other details

Other Equity

	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	Debt redemption reserve	Retained earnings	Revaluation Reserve	
Balance as at 01 April 2021	402.85	30.00	2,644.51	62.41	2,356.22	(11,816.86)	960.84	(5,360.03)
Profit or loss	-	-	-	-	-	(746.01)	-	(746.01)
Other comprehensive income	-	-	-	-	-	(18.10)	-	(18.10)
Total Comprehensive Income for the year	-	-	-	-	-	(764.11)	-	(764.11)
Reversal of ESOP/SAR on cancellation /lapses post vesting	-	-	-	-	-	17.77	-	17.77
Transactions with shareholders in their capacity as such - on issuance of equity shares	-	-	2,433.60	-	-	-	-	2,433.60
Transfers to / from retained earnings	-	-	-	-	-1,154.17	1,154.17	-	-
Reversal to retain earning	-	-	-	-	-	45.40	(45.40)	-
Balance at 31 March 2022	402.85	30.00	5,078.11	62.41	1,202.05	(11,363.63)	915.44	(3,672.77)
Profit or (loss)	-	-	-	-	-	(1,968.54)	-	(1,968.54)
Other comprehensive income	-	-	-	-	-	(2.73)	-	(2.73)
Total Comprehensive Income for the year	-	-	-	-	-	(1,971.27)	-	(1,971.27)
Reversal of ESOP/SAR on cancellation /lapses post vesting	-	-	-	-	-	4.27	-	4.27
Reversal to retain earning	-	-	-	-	-	45.40	(45.40)	-
Balance at 31 March 2023	402.85	30.00	5,078.11	62.41	1,202.05	(13,285.25)	870.04	(5,639.79)

Refer Note 19 for other details

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005per Shrawan Jalan
Partner
Membership No: 102102Mumbai
May 22, 2023For and on behalf of the Board of Directors of
Edelweiss Rural & Corporate Services LimitedRavindra Dhobale
Executive Director & CFO
DIN No.:05147051Mumbai
May 22, 2023

Ananya Suneja
Director
DIN No.:07297081

Chirag Shah
Company Secretary


1. Significant accounting policies

1.1 Background

Edelweiss Rural & Corporate Services Limited ('the Company') was incorporated on October 17, 2006 in the State of Maharashtra. It is a part of Edelweiss Group and is a ultimate subsidiary of the listed holding company Edelweiss Financial Services Limited. The Company provides loans to group companies and makes investments within the group. It also holds the technology shared service centre which provides service to group companies. Further, the company owns property which earns regular rental income.

1.2 Basis of preparation and presentation of financial statements

The Company's financial statements has been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in compliance with the Division II of the Schedule III to the Companies Act, 2013.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVTOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value. The Company's financial statements are presented in Indian Rupees (INR) in millions.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

1.3 Use of estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expense during the reporting period. Actual results could differ from the estimates.



1.4 Revenue recognition

- Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset. When a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:
 - (i) Identification of contract(s) with customers;
 - (ii) Identification of the separate performance obligations in the contract;
 - (iii) Determination of transaction price;
 - (iv) Allocation of transaction price to the separate performance obligations; and
 - (v) Recognition of revenue when each performance obligation is satisfied
 - Fee income including advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
 - Business support services including web based services are accounted on accrual basis in accordance with the terms and contracts entered into between the company and the counterparty.
 - Profit / loss on sale of investments is recognised on trade date basis.
 - Commodities sales are accounted as per terms of agreement with the parties.
-
- 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 receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. 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.
 - Warehouse income is recognised on accrual basis by reference to the agreements entered with customers.
 - Agency commission/procurement income is recorded in pursuant to the terms and conditions mentioned in scope of work /agreement.
 - Insurance and other claims are recognized as revenue on certainty of realisation.
 - Interests on delayed payments, warehousing charges and rental income are recognised on accrual basis by reference to the agreements entered.
 - Profit / loss from share in partnership firm is accounted once the amount of the share of profit/ loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.
 - Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.
 - Real estate advisory income is recognised basis the terms and conditions mentioned in the agreement.
 - Revenue from Investment management services is recognised over the tenure in accordance with the terms and conditions of the investment management agreement with group companies.



1.5 Financial Instruments

Date of recognition

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

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.

Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

Classification of financial instruments

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 (FVTOCI)
- Fair value through profit or loss (FVTPL)

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

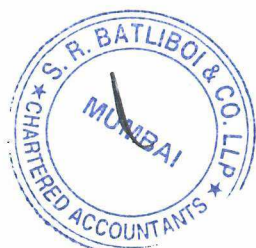
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal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

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows.

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- if such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cashflow.
- selling a financial asset because of significant increase in credit risk.

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



Notes to the financial statements (*continued*)

- 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.

Amortized cost and Effective interest rate (EIR)

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

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

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

Financial assets held for trading

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

Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. These include debt securities, equity instruments, mutual fund units, nifty linked debentures etc.

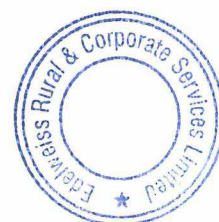
Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

Investment in equity instruments

The Company subsequently measures all equity investments (other than subsidiaries, associates, and other group companies) at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Investments in subsidiaries and associates are carried at cost as permitted under Ind AS 27 (Consolidated and Separate Financial Statements). The investment in other group companies are carried at cost.

Investment in mutual funds and preference Shares

The Company subsequently measures all investments in mutual fund and preference shares at fair value through profit or loss as these financial assets do not pass the contractual cash flow test as required by Ind AS- 109- Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL.



Notes to the financial statements (*continued*)

Financial liabilities

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

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

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

Financial liabilities and equity instruments

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

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

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Redeemable preference shares

Redeemable preference shares issued are classified as financial liabilities and are measured at fair value at inception and at amortised cost subsequently.

Where the transaction price for the preference shares issued differs from the fair value, the difference is recognized in profit or loss unless the difference is a deemed capital contribution from the company, in which case, the said difference is recognized in equity.

In accounting for these preference shares at amortised cost subsequent to initial recognition, interest expense based on the effective interest rate is recognized in profit or loss. This effective interest rate is based on the initial measurement of the preference shares (fair value) and the maturity amount. Any gain or loss on derecognition is recognized in profit or loss unless the difference is due to a transaction with a related party, in which case, the same is recognized as a deemed distribution or return of deemed capital contribution, as the case may be.

Compulsory Convertible Instruments

Compulsory Convertible Debentures/ Preference shares are separated into liability and equity components based on the terms of the contract. At the inception of the Compulsory Convertible Instruments, the following two elements will be separated:

- (a) a liability component arising from the interest payments; and
- (b) an equity component representing the delivery of fixed number of equity shares in future.

On issuance of the Compulsory Convertible Instrument, the fair value of the liability portion is determined using a market interest rate for an equivalent non convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. The carrying amount of the equity component is not subsequently re-measured.



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.

Derecognition of financial assets and financial liabilities

A transfer only qualifies for derecognition if either:

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

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

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 financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets

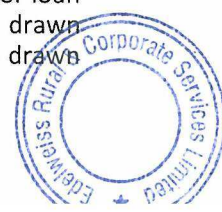
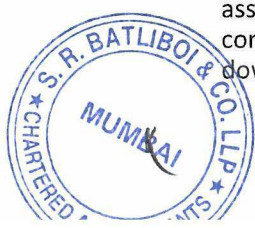
The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease 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.

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, loss given default (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



Notes to the financial statements (*continued*)

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.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. The 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.

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 balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

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

Collateral repossessed

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

Write off

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.



Notes to the financial statements (*continued*)

Business model assessment

Classification and measurement of financial assets depends on the results of the sole payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet 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



Notes to the financial statements (*continued*)

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.

1.6 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.

1.7 Foreign currency transactions

The financial statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

1.8 Retirement and other employee benefit

Provident fund and national pension scheme

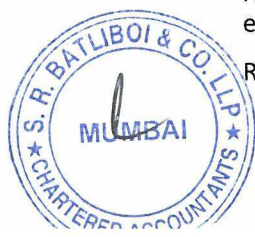
The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

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.

Remeasurements, 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.

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



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.

1.9 Share-based payment arrangements

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company 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 company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

1.10 Property, plant and equipment

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

Subsequent costs incurred on an item of property, plant and equipment are 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.

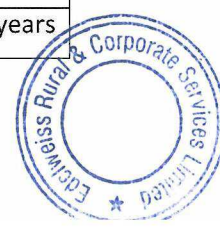
Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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 up to 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:

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated Useful Life
Building (Other than Factory Building)	60 years
Plant and equipments	15 years
Furniture and fittings	10 years
Vehicles	8 years



Notes to the financial statements *(continued)*

Office equipments	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years
Solar Power Plant	15 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 shorter.

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.

Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations will be carried out on a regular basis, unless the management consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

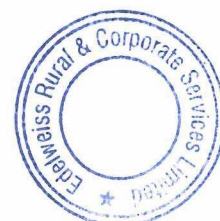
Subsequent measurement of land and building under revaluation model

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. An exception is a gain on revaluation that reverses a revaluation decrease (impairment) on the same asset previously recognised as an expense. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 1.16. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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.



Notes to the financial statements (*continued*)

Intangible fixed 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.

Intangible assets under development are recorded at the consideration paid for the acquisition of such assets.

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 asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.11 Cash and cash equivalents

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

1.12 Inventories

Inventories in the form of commodities are valued at weighted average cost or net realisable value, whichever is lower.

1.13 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.

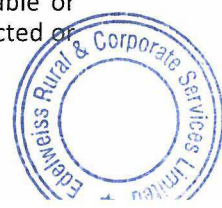
Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

1.14 Income tax expenses

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

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.



Notes to the financial statements (*continued*)

Deferred tax

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

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

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

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

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

Minimum Alternative Tax (MAT) credit

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

1.15 Operating leases

Company as a lessee

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.

Company as a lessor

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the company classifies its lease as either operating or financing leases. A Lease is classified as 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 does not.

1.16 *Investment property*

Properties, including those under construction, held to earn rentals and/or capital appreciation ~~are classified as investment property and are measured and reported at cost, including transaction costs.~~

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

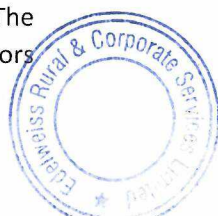
An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

1.17 *Receivables from Agency Business*

The Company's business includes 'Agency Business' wherein acts as a procurement agent for its various principals, and renders other related end to end value additive services like procurement formalities including importing, receiving and storing of goods, insuring, maintenance of goods in proper condition, dispatch to designated parties, facilitating funding, etc. The Company procures goods and makes payment to the supplier on behalf of the principal. The payment made to supplier is shown as trade receivables (current) and is secured by inventory held on behalf of principal marked as lien.

1.18 *Critical accounting judgements and key sources of estimation uncertainty*

In the application of the company's accounting policies, which are described in note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors



Notes to the financial statements (*continued*)

that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

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

Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Determining lease term for lease contracts with renewal and termination option

The Company determines the lease term as the non-cancellable term of the lease, together with ~~any periods covered by an option to extend the lease if it is reasonably certain to be exercised,~~ or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain, whether or not, to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

1.19 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 consolidated 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.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When



Notes to the financial statements (*continued*)

the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

Impairment of financial assets

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

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

- Probability of default (PD) calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic
- Inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposure at default (EAD) and loss given default (LGD)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

Effective interest rate method

The Company's EIR methodology, as explained in Note 1.6, 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 characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.



Notes to the financial statements (*continued*)

Accounting for deferred taxes

Deferred tax assets are recognised on unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

1.20 Standards notified but not yet effective

The Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Amendment to Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Amendment to Ind AS 1- Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

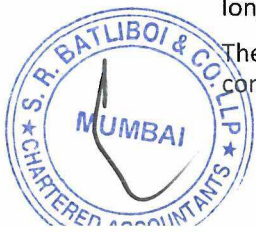
Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period



Edelweiss Rural & Corporate Services Limited

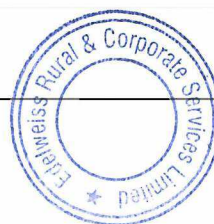
Notes to the financial statements (*continued*)

presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

2 A. Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at 1 April 2022	Additions / adjustments during the year	Deductions / adjustments during the year	As at 1 April 2022	Charge for the year	Deductions / adjustments during the year	As at 31 Mar 2023
Property, Plant and Equipment							
Land * #	163.02	-	-	-	-	-	163.02
ROU -leasehold premises	122.33	-	-	119.74	1.67	-	121.41
Building * #	2,326.78	-	-	284.22	181.07	-	465.29
Leasehold Premises	0.68	-	-	0.15	0.14	-	0.29
Plant and Equipment	0.50	-	-	0.31	0.03	-	0.34
Furniture and Fixtures	69.81	0.23	-	40.44	6.80	-	47.24
Vehicles	2.82	-	0.94	1.04	1.29	0.54	1.79
Office equipment	58.75	2.11	22.64	46.15	5.66	21.61	30.20
Computers	112.27	9.42	65.80	88.86	9.30	60.99	37.17
Plant and Machinery-Solar power	62.05	-	-	39.20	4.14	-	43.34
Total	2,919.01	11.76	89.38	620.11	210.10	83.14	747.07
							2,094.32

B. Investment property *

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at 1 April 2022	Additions / adjustments during the year	Deductions / adjustments during the year	As at 1 April 2022	Charge for the year	Deductions / adjustments during the year	As at 31 Mar 2023
Land *	137.43	-	-	-	-	-	137.43
Flat and Building *	2,343.02	-	-	554.40	248.36	-	802.76
Total	2,480.45	-	-	554.40	248.36	-	802.76
							1,677.69

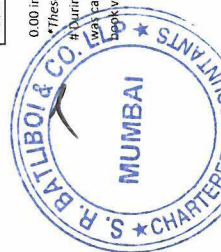
C. Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at 1 April 2022	Additions / adjustments during the year	Deductions / adjustments during the year	As at 1 April 2022	Charge for the year	Deductions / adjustments during the year	As at 31 Mar 2023
Software	97.04	8.93	9.10	88.11	5.14	5.90	87.35
Total	97.04	8.93	9.10	88.11	5.14	5.90	87.35
							9.52

0.00 indicates amounts less than Rs. 0.01 millions

*These assets are pledged for issuance of Non-convertible debentures (refer Note 20).

During FY 2021-22, the Company had paid additional Floor Space Index (FSI) charges amounting to Rs. 391.58 million to Municipal Corporation of Greater Mumbai (MCGM) for floors owned by Company in Edelweiss House. This amount was capitalized and depreciation amounting to Rs. 149.50 million had been charged in FY2021-22. Awaiting approval from MCGM, during the year ended March 31, 2023, the Company has recorded accelerated depreciation on the remaining book value of Rs. 227 million.



2 A. Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment		Net Block	
	As at 1 April 2021	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2022	Charge for the year Deductions / adjustments during the year	As at 31 Mar 2022	As at 31 Mar 2022
Property, Plant and Equipment							
Land* #	163.02	-	-	163.02	-	-	163.02
ROU -leasehold premises	127.02	0.38	5.07	122.33	1.09	119.74	2.59
Building* #	2,209.30	117.48	-	2,326.78	161.60	284.22	2,042.56
Leasehold Premises	0.14	0.54	-	0.68	0.15	0.15	0.53
Plant and Equipment	4.10	-	3.60	0.50	0.16	0.31	0.19
Furniture and Fixtures	79.47	-	9.66	69.81	9.81	40.44	29.37
Vehicles	6.54	1.35	5.07	2.82	0.71	1.04	1.78
Office equipment	88.20	0.25	29.70	58.75	10.02	46.15	12.60
Computers	136.77	8.63	33.13	112.27	13.50	88.86	23.41
Plant and Machinery-Solar power	62.05	-	-	62.05	5.33	39.20	22.85
Total	2,876.61	128.63	86.23	2,919.01	202.37	620.11	2,298.90

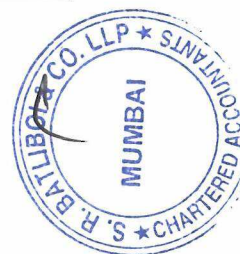
B. Investment property*

Description of Assets	Gross Block			Accumulated Depreciation and Impairment		Net Block	
	As at 1 April 2021	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2022	Charge for the year Deductions / adjustments during the year	As at 31 Mar 2022	As at 31 Mar 2022
Land *	137.43	-	-	137.43	-	-	137.43
Flat and Building *	2,249.18	274.10	180.26	2,343.02	195.41	554.40	1,788.62
Total	2,386.61	274.10	180.26	2,480.45	195.41	554.40	1,926.05

C. Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment		Net Block	
	As at 1 April 2021	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2022	Charge for the year Deductions / adjustments during the year	As at 31 Mar 2022	As at 31 Mar 2022
Software	90.51	6.70	0.17	97.04	10.94	88.11	8.93
Total	90.51	6.70	0.17	97.04	10.94	88.11	8.93

0.00 indicates amounts less than Rs. 0.01 millions

*These assets are pledged for issuance of Non-convertible debentures and Corporate Guarantee issued to State bank of India against loan facilities obtained by Group Companies (refer Note 20 and Note 23).
#Revised plan for additional FSI have been submitted and awaiting approval from Mumbai Corporation of Greater Mumbai (MCGM). The Company has already paid and capitalized development charges and FSI premium amounting to Rs. 391.58 millions.

2 (D) Intangible assets under development

Description of Assets	Gross Block			
	As at April 01, 2022	Additions	Capitalization	As at March 31, 2023
Capital WIP - Software	-	-	-	-
Total	-	-	-	-

Description of Assets	Gross Block			
	As at April 01, 2021	Additions	Capitalization	As at March 31, 2022
Capital WIP - Software	2.06	-	2.06	-
Total	2.06	-	2.06	-

Intangible assets under development aging schedule

There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

As at March 31, 2023

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

As at March 31, 2022

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

2 (E) There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

	As at 31 March 2023		As at 31 March 2022	
	Quantity	Amount	Quantity	Amount
3 Non-current investments				
Unquoted Investments				
Investments in equity instruments of subsidiaries (fully paid up)				
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	38,300,000	2,829.00	38,300,000	2,829.00
Comtrade Commodities Services Limited	28,999,994	38.86	28,999,994	38.86
Edelweiss Investment Adviser Limited	100,549,994	1,000.10	100,549,994	1,000.10
Allium Finance Private Limited	934,339	67.35	800,000	21.18
Investments in equity instruments of other group companies (fully paid up)				
Edelweiss Asset Reconstruction Company Limited **	-	-	5,181,837	110.35
Investments in equity instruments of other companies (fully paid up)				
Inditrade Business Consultants Limited	10,000	0.10	10,000	0.10
Agri Warehousing Service Providers (India) Association	-	-	90,000	0.90
Non cumulative Compulsorily convertible redeemable preference share				
Allium Finance Private Limited	4,100,329	858.92	4,044,412	839.75
Compulsorily convertible Debentures				
0.01 % Edel Land Limited	-	-	6,600,000	6,600.36
0.01 % Edelweiss Investment Adviser Limited	575,000,000	5,750.42	575,000,000	5,750.48
Investments in debentures (fully paid up)				
10.25% ECL Finance Limited Perpetual Bonds	-	-	1,950	2,126.26
Investment in Alternative Investment Fund				
Edelweiss Private Equity Tech Fund	-	-	853	199.79
Edelweiss Value and Growth Fund	-	-	3,592	314.08
India Credit Investment Fund II	261,179	2,611.79	158,897	1,598.14
India Credit Investment Fund I	147,909	1,055.49	391,000	2,147.00
Carrying Value of Investment		14,212.03		23,576.35
Less : Impairment Allowance*		(1,625.77)		(1,115.57)
Total		12,586.26		22,460.78

* Impairment allowances is taken basis the estimate of the fair value of the underlying assets.

** Pledged with Catalyst trusteeship Limited as a security against issue of the Non convertible Debentures by Edelweiss Financial Services Limited amounting to Rs3,500 million

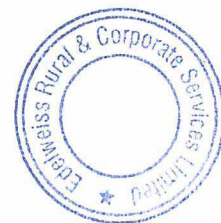
Note: Disclosures as required by IND AS 107 have been seperately provided in Note S7



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency. Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
4 Bank balances other than cash and cash equivalents		
Deposits with banks		
- Fixed deposits with banks	354.17	339.13
- Accrued interest on fixed deposits	21.97	1.23
Earmarked balances with bank in current account (unpaid dividends)	2.25	-
	378.39	340.36
(refer note 42 on Encumbrances on fixed deposits)		
5 Loans- Non Current		
<i>Secured*</i>		
Receivables from financing business	583.34	1,404.15
Provision for expected credit loss on loans	(532.82)	(1,289.93)
	50.52	114.22
<i>Unsecured</i>		
Loans and advances to related parties	5,945.54	13,669.17
Provision for expected credit loss on loans**	(5,934.73)	(5,732.20)
	10.81	7,936.97
Intercompany deposits	1,055.62	1,055.62
Accrued interest on Intercompany deposits	14.07	14.07
Impairment on intercompany deposits	(1,069.69)	(1,069.69)
	61.33	8,051.19
<i>* Secured against securities</i>		
<i>**Impairment on loans given to its subsidiary basis the estimate of the fair value of the underlying assets of the said subsidiary.Refer note no 60</i>		
6 Other financial assets		
Rent and other deposits	24.60	23.75
Deposits placed with /for exchange /depositories	8.87	8.71
	33.47	32.46



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
7 Deferred tax assets (net)		
Deferred tax assets		
<u>Loans</u>		
Provision for standard assets - ECL provision	559.98	845.74
Provision for non-performing and doubtful advances - ECL provision	126.76	126.23
Leases - Ind AS 116	0.40	1.07
<u>Investments and other financial instruments</u>		
Provision for Diminution in value of current investments	-	1.98
<u>Unused tax credit</u>		
MAT credit entitlement	581.92	581.92
<u>Unused tax losses</u>		
Accumulated Losses	203.41	203.41
Gratuity & other Employee Benefits	2.30	2.28
Others	-	0.08
Deferred tax assets (A)	1,474.77	1,762.71
Deferred tax liabilities		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	508.74	501.77
<u>Investments and other financial instruments</u>		
Fair valuation gain of investments and stock in trade	1.44	16.06
<u>Borrowings</u>		
Effective interest rate on borrowings	47.85	113.95
Others	29.49	29.77
Deferred tax liabilities (B)	587.52	661.55
Deferred tax assets (net) (A-B)	887.25	1,101.16

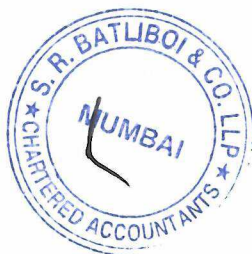
Note: Refer note 59 for disclosures on Deferred Tax.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

	As at March 31, 2023	As at March 31, 2022
8 Income tax assets (net)		
Advance income taxes	1,559.07	1,546.13
(net of provision for income tax of Rs.2,073.33 millions (Previous year: Rs. 2,073.33 millions))		
	1,559.07	1,546.13
9 Other non-current assets		
Other deposits	18.78	18.83
	18.78	18.83

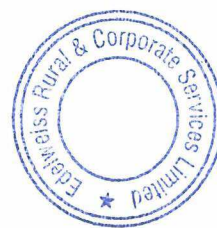


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

10 Stock in trade

	As at March 31, 2023	As at March 31, 2022
At fair value through profit or loss		
(i) Debt securities	54.24	620.70
(ii) Nifty-linked debentures	123.76	4.28
TOTAL	178.00	624.98
(i) Stock in trade held outside India	-	-
(ii) Stock in trade held in India	178.00	624.98
Total	178.00	624.98

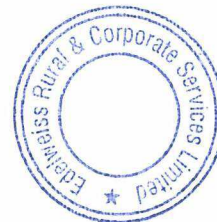


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

	As at March 31, 2023	As at March 31, 2022
11 Current investments		
Investments in partnership firm, Capital account		
Edelweiss Multi Strategy Fund Advisors LLP	3.16	3.23
Investment in others		
Edelweiss Wealth Advisors LLP	-	0.42
Compulsorily convertible Debentures		
0.01 % Edel Land Limited	6,600.59	-
	6,603.75	3.65

Note: Disclosures as required by IND AS 107 have been separately provided in Note 57



Notes to the financial statements for the year ended 31 March 2023 (continued)

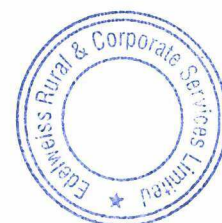
(Currency: Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
12 Trade receivables		
Receivables considered good - Unsecured	352.40	187.90
Receivables - Credit impaired	362.75	361.24
	<u>715.15</u>	<u>549.14</u>
Less : Allowance for expected credit losses	362.75	361.24
	<u>352.40</u>	<u>187.90</u>

Trade Receivables aging schedule

As at March 31, 2023	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	352.40	-	-	-	-	352.40
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	1.52	-	4.86	12.31	344.06	362.75
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross Receivables (A)	353.92	-	4.86	12.31	344.06	715.15
i) Undisputed Trade receivables – considered good						
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired	(1.52)		(4.86)	(12.31)	(344.06)	(362.75)
(iv) Disputed Trade Receivables–considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						
Total ECL Provision on receivables (B)	(1.52)	-	(4.86)	(12.31)	(344.06)	(362.75)
Total receivables net of provision = (A)-(B)	352.40	-	-	-	-	352.40

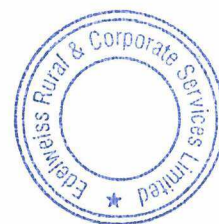
As at March 31, 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	187.90	-	-	-	-	187.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	4.86	12.32	25.02	319.04	361.24
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross Receivables (A)	187.90	4.86	12.32	25.02	319.04	549.14
i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	(4.86)	(12.32)	(25.02)	(319.04)	(361.24)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	-	(4.86)	(12.32)	(25.02)	(319.04)	(361.24)
Total receivables net of provision = (A)-(B)	187.90	-	-	-	-	187.90



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
13 Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
- in current accounts	75.92	108.24
- in fixed deposits with original maturity less than 3 months	-	9.55
	75.92	117.79
* Fixed deposit amounting to Rs. Nil (Previous year: Rs. 9.55 millions) held under encumbrance - refer note 42		
14 Bank balances other than cash and cash equivalents		
Fixed deposits	47.30	67.49
	47.30	67.49
(Refer note 42 on Encumbrances on fixed deposits)		



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
15 Loans		
<u>Secured</u>		
Receivables from financing business*	-	1,317.58
Provision for expected credit loss on loans	-	(196.74)
	-	1,120.84
<u>Unsecured</u>		
Loans and advances to related parties	220.00	1,523.64
Accrued interest on loans	3.28	441.16
Provision for expected credit loss on loans	-	(202.24)
	223.28	1,762.56
Loans and advances to employees	13.05	0.92
	236.33	2,884.32
<i>* Secured against securities (Refer Note-60)</i>		
16 Other financial assets		
Receivable from exchange / clearing house (net)	0.52	0.52
Margin placed with broker	0.07	2.07
Advances recoverable in cash or in kind for value to be received	1.52	1.70
	2.12	4.29
17 Other current assets		
Input tax credit	163.27	162.08
Advance to employees	2.46	1.03
Prepaid expenses	19.67	34.44
Vendor Advances	3.54	5.11
Contribution to gratuity fund (Refer Note 46)	28.71	28.90
	217.66	231.56



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
18 Share capital		
Authorised:		
4,75,00,000 (Previous year: 4,75,00,000) equity shares of Rs. 10 each	475.00	475.00
6,70,00,000 (Previous year: 6,70,00,000) preference shares of Rs. 10 each	670.00	670.00
	1,145.00	1,145.00
Issued, Subscribed and Paid up:		
(a) Equity Shares		
4,65,35,367 (Previous year: 4,65,35,367) equity shares of Rs. 10 each, fully paid up	465.35	465.35
	465.35	465.35
(b) Instruments entirely equity in nature		
(i) Compulsory Convertible Preference Shares ("CCPS")		
13,59,955 CCPS (Previous year 13,59,955) - 0.01% Compulsory Convertible Preference Shares ("CCPS") of face value of Rs. 10/- along with premium of Rs. 357.66 Per Share	500.00	500.00
(ii) Compulsorily Convertible Debentures ("CCDs")		
90,00,000 CCDs (Previous year 90,00,000) of the face value of Rs. 1,000/- each	9,000.00	9,000.00
	9,500.00	9,500.00

Reconciliation of shares outstanding at the beginning and at the end of the year:

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	46,535,367	465.35	39,775,367	397.75
Issued during the year	-	-	6,760,000	67.60
Outstanding at the end of the year	46,535,367	465.35	46,535,367	465.35

Shares held by holding Company

	31 March 2023		31 March 2022	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares				
Edel Finance company Limited *	46,535,367	100.00%	46,535,367	100.00%

Details of shares in the Company held by each shareholder holding more than 5 percent shares:

	31 March 2023		31 March 2022	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up				
Edel Finance company Limited	46,535,367	100.00%	46,535,367	100.00%

Rights, preferences and restrictions attached to equity shares:

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

Terms of Compulsory Convertible Preference Shares ("CCPS")

Non-cumulative Dividend of 0.01% per annum on the face value of the CCPS shall be paid to the CCPS holders. The CCPS will automatically be convertible into equity shares at the end of 10 years from the date of allotment i.e. March 30, 2021. 1 CCPS will be Converted into 1 Equity Share. 13,59,955 equity shares will be issued on conversion.

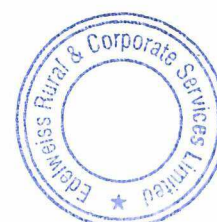
Terms of Compulsorily Convertible Debentures (the "Debenture"/"CCDs")

CCD carrying coupon of 0.01% on the face value of the CCDs shall be paid to the CCD holders. The CCDs will be convertible into equity shares within period not exceeding 10 years from the date of allotment i.e. March 26, 2021. 1 CCD will be converted into 2.71 Equity Shares. i.e 24,390,000 equity shares will get issued on the date of conversion of CCD.

Note 1:

The Company has neither allotted any shares pursuant to contract without payment being received in cash or as bonus shares nor has it bought back any share during the period of five years immediately preceding the balance sheet date.

*Includes shares held by Nominee Shareholders



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
19 Other Equity		
Capital Reserve	402.85	402.85
Capital Redemption Reserve	30.00	30.00
Securities Premium Account	5,078.11	5,078.11
Debenture Redemption Reserve	1,202.05	1,202.05
Revaluation Reserve through other comprehensive income	870.03	915.44
ESOP Reserve	62.41	62.41
Retained earnings	(13,285.25)	(11,363.63)
	(5,639.79)	(3,672.77)

Nature and purpose of reserves

Capital Reserve

The company recognises profit and loss on purchase, sale, issue or cancellation of the company's own equity instruments to capital reserve.

Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issuance of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Debenture redemption reserve

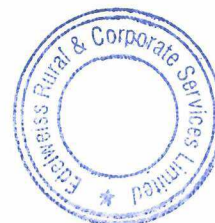
The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. 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.

ESOP reserve

Certain employees of the company have been granted options to acquire equity shares of the Ultimate Parent Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the extent that the Ultimate Parent Company has not recovered such cost from the company.

Revaluation Reserve

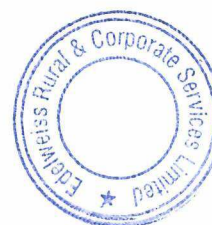
The company decided to move to revaluation model from cost model for accounting a class of asset (i.e. flats and building) as at 31st March 2020. The management approved revaluation of owned land and buildings classified under property plant and equipment after assessing the valuation made by duly appointed independent valuer. The difference between valuation amount and the carrying value of land and buildings is accounted under Revaluation Reserve through other comprehensive income.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
20 Non-Current borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures *	6,063.07	6,032.29
Interest accrued on borrowings	452.60	398.36
<u>Unsecured</u>		
Non-convertible redeemable debentures (NCDs)	5,500.00	-
Interest accrued on borrowings	129.30	-
Loans and advances from related parties	2,000.00	9,270.00
	14,144.97	15,700.65
*Secured by charge on immovable property and a pari passu charge on the receivables and stock in trade to the extent equal to the principal and interest amount i.e. redemption value of debentures.		
21 Other financial liabilities		
Rental Deposits	67.96	142.00
	67.96	142.00
22 Non-Current provisions		
Provision for employee benefits		
Compensated leave absences	5.29	5.32
	5.29	5.32



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

	As at 31 March 2023	As at 31 March 2022
23 Current borrowings		
<u>Secured</u>		
Bank overdraft [Secured by charge on Fixed deposit with bank held by one of the subsidiary company]	-	882.44
Sub-total (A)	-	882.44
<u>Unsecured</u>		
Loan from related parties	5,231.60	5,249.41
Non-convertible debentures	-	5,500.00
Commercial paper	2,320.00	5,370.00
Less : Unamortised discount	(110.26)	(351.00)
	2,209.74	5,019.00
Preference Shares Capital from Fellow Subsidiaries	426.68	2,214.87
Preference Shares Capital - Others	20.42	19.64
Sub-total (B)	7,888.44	18,002.92
Interest accrued on borrowings (C)	65.70	501.05
Total (A+B+C)	7,954.14	19,386.41



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

	As at 31 March 2023	As at March 31, 2022
24 Trade Payables		
Total outstanding dues of micro, small and medium enterprises	-	2.07
Total outstanding dues to creditors other than micro, small and medium enterprises	220.84	95.12
	<u>220.84</u>	<u>97.19</u>

For trade payables due for payment, following ageing schedule shall be given:

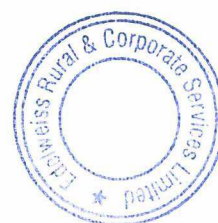
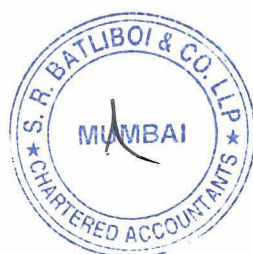
As at March 31, 2023	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	220.84	-	-	-	220.84
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	220.84	-	-	-	220.84

As at March 31, 2022	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.07	-	-	-	2.07
(ii) Others	95.12	-	-	-	95.12
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	97.19	-	-	-	97.19

	As at 31 March 2023	As at March 31, 2022
25 Other financial liabilities		
Accrued salaries and benefits	162.96	234.80
Unpaid dividends	2.25	-
Retention money payable	1.29	1.29
Rental Deposits	92.81	-
Other payables	6.84	3.58
	<u>266.15</u>	<u>239.67</u>

26 Other current liabilities		
Withholding taxes, Goods & services tax and other taxes payable	12.23	26.42
Others	16.52	12.07
	<u>28.75</u>	<u>38.49</u>

27 Current provisions		
Compensated absences	1.28	1.20
Provision for capex	3.48	0.19
	<u>4.76</u>	<u>1.39</u>



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

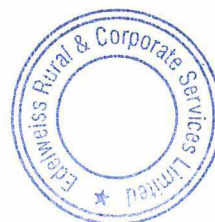
	For the year ended 31 March 2023	For the year ended 31 March 2022
28 Fee and commission income		
Income from commodities services	-	0.78
Business support services income	776.46	740.13
Advisory income	6.88	13.32
	783.34	754.23
29 Net gain/(loss) on fair value changes		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
Investments		
(Loss)/ profit on trading of securities (net)	192.06	(657.73)
Fair value gain/(loss)	(310.96)	(233.57)
Fair value gain - Debt Instruments	(45.29)	(1.82)
Derivatives		
(Loss)/ profit on trading in equity derivative instruments (net)	8.69	14.76
(B) Others		
Profit / (loss) on sale of long term investment	41.14	(62.60)
Income distribution from Fund	70.55	347.76
Share of profit / (loss) in partnership firm	(0.04)	4.15
Total Gain/(loss) from treasury (A+B)	(43.85)	(589.05)
30 Interest income		
Interest Income from group company loan	1,315.25	3,100.17
Interest Income on credit substitutes	275.19	132.32
Interest income on fixed deposits	20.94	53.06
Interest income on debt instrument	164.74	1,220.47
Interest income on margin with brokers	-	0.16
Interest income on delayed payments	2.27	0.01
Interest Income - others	0.20	31.48
	1,778.59	4,537.67
31 Other operating revenue		
Warehouse charges	-	54.68
Rental income	355.42	313.04
	355.42	367.72
32 Other income		
Miscellaneous income	5.21	39.86
Interest on Income Tax Refund	14.81	24.37
Profit / (loss) on sale of long term investment *	389.15	1,121.74
	409.17	1,185.97

*The Company has sold its stake in one of its fellow subsidiaries based on independent valuer report to another fellow subsidiary of the Company and accordingly, other income includes a gain on sale amounting to Rs.384. 90 millions (Previous year Rs. 1115.90 millions).



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

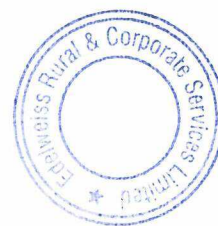
	For the year ended 31 March 2023	For the year ended 31 March 2022
33 Impairment on financial instruments		
Bad- debts and advances written off	238.47	(7.65)
Diminution in value of investments	510.13	-
Provision for non performing assets	(558.18)	140.34
Provision for doubtful debts	(1.10)	(12.04)
Other Credit Cost	9.51	-
	198.83	120.65
34 Employee benefits expenses		
Salaries, wages and Bonus	367.08	480.30
Contribution to provident and other funds	21.29	26.36
Expense on Employee Stock Option Scheme (ESOP) and Stock Appreciation Rights (SAR)	3.68	8.96
Staff welfare expenses	39.62	21.42
	431.67	537.04
35 Finance costs		
Interest on debentures	1,179.79	2,021.21
Interest on inter-corporate deposits	2.71	-
Interest on bank overdraft	0.87	0.17
Interest on loan from holding company	1,009.00	2,005.73
Interest on loan from group companies	452.04	689.83
Interest - others	-	70.41
Interest on lease liabilities	0.26	0.40
Discount on commercial paper	410.75	420.01
Financial and bank charges	6.20	12.00
Interest on shortfall in payment of advance income tax	0.01	0.87
Finance charge on preference shares issued	192.60	179.27
	3,254.23	5,399.90



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

	For the year ended 31 March 2023	For the year ended 31 March 2022
36 Other expenses		
Advertisement and business promotion	6.63	4.33
Auditor's remuneration (refer note below)	9.05	8.58
Commission and brokerage	0.14	4.10
Communication expenses	21.38	20.07
Computer expenses	128.85	96.98
Computer software	109.80	89.91
Clearing and custodian charges	0.72	1.42
Directors' sitting fees	1.02	0.76
Electricity charges (net)	31.62	2.90
Foreign exchange loss (net)	0.08	0.05
Insurance	2.44	9.57
Legal and professional fees	239.08	157.74
Loss / (gain) on sale of fixed assets (net)	8.46	(4.24)
Membership and subscription	5.18	0.39
Office expenses	61.93	48.62
Postage and courier	0.13	0.09
Printing and stationery	2.15	6.45
Rates and taxes	8.68	7.56
Rating support fees	4.06	4.98
Rent	4.56	30.00
Repairs and maintenance - Building	0.06	0.07
Repairs and maintenance - others	7.87	2.74
Goods and service tax (GST)	6.83	10.81
Stamp duty	0.68	0.88
Stock exchange expenses	1.00	2.70
Transportation charges	0.02	5.73
Travelling and conveyance	11.48	12.22
Warehousing charges	0.42	54.99
Outside Service Cost	11.90	14.57
Miscellaneous expenses	4.17	17.46
	690.39	612.43
Auditor's remuneration:		
Statutory audit	5.50	5.00
Limited Review	3.00	3.00
Certification and consultation	0.44	0.52
Reimbursement of expenses	0.11	0.06
	9.05	8.58



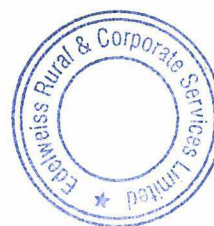
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

- 37 "Nuwama Clearing Services Limited ("NCSL") (Formerly known as Edelweiss Custodial Services Limited), an erstwhile associate of the Edelweiss Financial Services Company Limited (EFSL) challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai ("ACMM"). Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which NCSL was a clearing member, is still under process, the said Court contended that it had no objection to setting aside the lien order, upon NCSL providing an undertaking to keep sufficient assets unencumbered. The above case which is pending for hearing before ACMM, has now been transferred to the City Civil & Sessions Court under Maharashtra Protection of Interest of Depositors (In Financial Establishments) Act, 1999 (MPID). During the year ended March 2023, hearing has happened with Securities Appellate Tribunal with respect to NSCL's application made to SAT for challenging NCL's perverse order against NCSL; and the said hearing has been concluded and for which no order or further directions from SAT have yet been received. The matter is sub-judice and has been listed for further hearing and there is no further update on this matter during the year.

On behalf of NCSL, the Company has provided the undertaking to keep sufficient unencumbered assets amounting to Rs. 920.00 millions belonging to the Company and the said lien has been set aside. During the year ended March 31, 2023 the Company had transferred, such perpetual bond that was given as undertaking to investigating agencies, amounting to Rs. 1,950 millions to Edel Finance Company Limited in accordance with undertaking submitted to investigating agency that total given undertaking will remain with Edelweiss Group. The Company has been represented by NCSL that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial results for the year ended March 31, 2023.



38 Segment reporting

Primary Segment (Business segment)

For management purpose, the Company's business is organised into business segments based in products and services and has five reportable segments as mentioned below:

Segment	Activities covered
Capital based business	Capital intensive business includes Lending, investing and investment property
Treasury management	Interest income and trading in securities
Business Support Services	Centralized support services in the nature of administration, compliance, payroll, finance and accounts, Technical support etc. provided to group companies
Warehouse services	Warehouse services includes warehousing and collateral management services for agri commodities
Trading in commodities	Purchase and sale of commodities

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

The Executive management committee is the Chief operating decision maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Secondary Segment

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

The following table gives information in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108)

Particulars	As at/ For the year ended 31 March 2023	As at/ For the year ended 31 March 2022
I Segment Revenue		
a) Capital based business	2,441.06	4,805.00
b) Treasury management	50.34	631.57
c) Business Support Services	776.46	740.13
d) Warehouse services	-	55.46
e) Trading in commodities	4,729.50	4,584.77
f) Unallocated	14.81	24.38
Total Income	8,012.17	10,841.31
II Segment Results		
a) Capital based business	(1,688.75)	(852.21)
b) Treasury management	(354.52)	(79.40)
c) Business Support Services	272.39	88.78
d) Warehouse services	-	(3.78)
e) Trading in commodities	2.98	1.72
f) Unallocated	14.81	24.41
Loss before taxation	(1,753.08)	(820.48)
Less : Provision for taxation	215.46	(74.47)
Profit after taxation	(1,968.54)	(746.01)
III Segment Assets		
a) Capital based business	24,225.17	36,407.15
b) Treasury management	178.00	2,745.64
c) Business Support Services	170.07	106.69
d) Warehouse services	-	-
e) Trading in commodities	-	-
f) Unallocated	2,446.32	2,647.29
Total	27,019.56	41,906.77
IV Segment Liabilities		
a) Capital based business	22,524.21	33,339.87
b) Treasury management	152.97	2,256.87
c) Business Support Services	-	0.63
d) Warehouse services	16.82	16.82
e) Trading in commodities	-	-
f) Unallocated	-	-
Total	22,694.00	35,614.19
V Capital expenditure (Including intangibles under development)		
a) Capital based business	20.69	409.43
b) Treasury management	-	-
c) Business Support Services	-	-
d) Warehouse services	-	-
e) Trading in commodities	-	-
f) Unallocated	-	-
Total	20.69	409.43

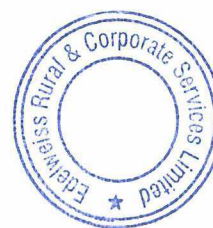


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

38 Segment reporting

Particulars		As at/ For the year ended 31 March 2023	As at/ For the year ended 31 March 2022
VI	Depreciation and amortisation		
	a) Capital based business	451.86	357.30
	b) Treasury management	-	6.33
	c) Business Support Services	11.74	45.09
	d) Warehouse services	-	-
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	463.60	408.72
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	198.83	140.34
	b) Treasury management	-	-
	c) Business Support Services	-	-
	d) Warehouse services	-	(19.69)
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	198.83	120.65



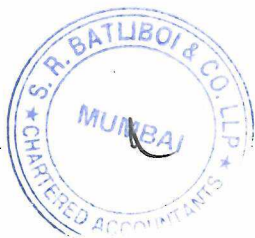
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”:

List of Related Parties as at March 31, 2023 is as under:

- (A) **Names of related parties by whom control is exercised**
Edelweiss Financial Services Limited, ultimate Holding Company
Edel Finance Company Limited, Holding Company
- (B) **Entities which are controlled by the Company**
Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Comtrade Commodities Services Limited
Edelweiss Investment Adviser Limited
Allium Finance Private Limited
- (C) **Associate with whom the Company has transactions**
Ecap Securities and Investments Limited (Formerly known as Ecap Equities Limited)
- (D) **Fellow Subsidiaries with whom the Company has transactions**
ECL Finance Limited
Edelcap Securities Limited
Edelweiss Alternative Asset Advisors Limited
Ecap Equities Limited (Formerly known as Edel Land Limited)
Edel Investments Limited
Edelweiss Tokio Life Insurance Company Limited
Edelweiss Trusteeship Company Limited
Edelweiss Asset Management Limited
Edelgive Foundation
Edelweiss International Singapore Pte Limited
Edelweiss Retail Finance Limited
Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)
Edelweiss Asset Reconstruction Company Limited
Edelweiss Securities and Investments Private Limited
Edelweiss Global Wealth Management Limited
Edelweiss Multi Strategy Fund Advisors LLP
Edelweiss Value and Growth Fund
India Credit Investment Fund II
Sekura India Management Limited
- (E) **Associate of Ultimate holding company (EFSL) with whom the Company has transactions (upto March 30, 2023)**
Nuvama Asset Management Limited (formerly known as ESL Securities Limited)
Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)
Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)
Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)
Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance and Investments Limited)
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
Nuvama Clearing Services Limited
- (F) **Key Management Personnel**
Mr. Ravindra Dhobale (Executive Director & Chief Financial Officer) (w.e.f. August 2, 2022)
Mr. Chirag Dilipkumar Shah (Company Secretary) (w.e.f. May 27, 2022)
Ms. Shailly Kedia (Company Secretary) (Resigned w.e.f. April 8, 2022)
- (G) **Non-Executive Directors**
Mr. Nikhil Johari
Mr. Santosh Dadheech
Ms. Ananya Suneja
- (H) **Independent Directors**
Dr. Vinod Juneja
Mr. Kunnasagaran Chinniah (upto August 31, 2022)
Mr. Bharat Bakshi (w.e.f. May 27, 2022)

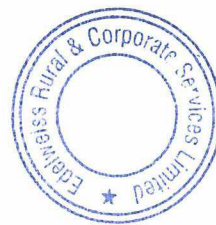


Edelweiss Rural & Corporate Services Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

Related Parties (Continued)

(i) Transaction and Balances with related parties for the year ended March 31, 2023

		(Rs. in Millions)	
Particulars	Name of related parties	2022-23	2021-22
Capital account transactions during the year			
Equity shares Issued to	Edel Finance Company Limited	-	2,501.20
Non-Cumulative Non-Convertible Redeemable Preference Share issued to	Edel Finance Company Limited	20.00	-
Redemption of Preference Share issued	Edel Finance Company Limited	10.00	-
	Ecap Equities Limited	10.00	-
Loans taken from	Edelweiss Financial Services Limited	8,320.00	36,891.63
	ECL Finance Limited	1,590.00	-
	Edel Finance Company Limited	2,620.70	45.00
	Edel Investments Limited	1,866.40	15,308.88
	Allium Finance Private Limited	83.50	376.02
	Edelweiss Retail Finance Limited	250.00	11,530.00
	Edelcap Securities Limited	1,079.80	4,963.72
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	6,200.00	4,400.00
	Ecap Equities Limited	5,353.35	29,096.73
Loans repaid to	Edelweiss Financial Services Limited	13,559.23	29,749.48
	ECL Finance Limited	1,590.00	-
	Edel Finance Company Limited	949.20	50.51
	Edel Investments Limited	2,551.40	14,762.21
	Allium Finance Private Limited	164.22	322.88
	Edelweiss Securities And Investments Private Limited	-	0.40
	Edelweiss Retail Finance Limited	3,720.00	8,060.00
	Edelcap Securities Limited	2,024.26	4,019.26
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	6,200.00	4,400.00
	Ecap Equities Limited	3,893.25	15,915.97
Loans given to	ECL Finance Limited	-	10,337.86
	Edel Finance Company Limited	4,786.80	7,312.11
	Edel Investments Limited	-	5,609.50
	Edelcap Securities Limited	1,428.58	784.48
	Edelweiss Global Wealth Management Limited	156.44	1,125.60
	Nuvama Wealth and Investment Limited	1,000.00	-
	Edelweiss Securities And Investments Private Limited	778.50	5,009.17
	Edelweiss Alternative Asset Advisors Limited	220.00	930.00
	Comtrade Commodities Services Limited	6.07	5.69
	Ecap Equities Limited	6,881.57	98,431.05
	Edelweiss Investment Adviser Limited	5,613.91	7,316.35
	Edelweiss Retail Finance Limited	1,750.00	1,740.00
	Allium Finance Private Limited	-	46.23
Loans repaid by	ECL Finance Limited	780.00	9,557.86
	Edel Finance Company Limited	7,419.40	9,679.51
	Edelcap Securities Limited	1,428.58	784.48
	Edel Investments Limited	-	5,609.50
	Edelweiss Investment Adviser Limited	9,216.50	9,190.96
	Edelweiss Global Wealth Management Limited	156.44	1,400.06
	Edelweiss Retail Finance Limited	1,750.00	1,740.00
	Nuvama Wealth and Investment Limited	1,000.00	-
	Edelweiss Securities And Investments Private Limited	2,322.76	3,489.19
	Edelweiss Alternative Asset Advisors Limited	330.00	1.19
	Comtrade Commodities Services Limited	20.53	2.20
	Ecap Equities Limited	7,280.75	95,373.10
	Allium Finance Private Limited	-	46.23
Purchase of Security from	ECL Finance Limited	-	2,147.00
Investments in funds sold to	ECL Finance Limited	513.98	-
	Edelweiss Retail Finance Limited	1,671.49	-
	Edelweiss Investment Adviser Limited	-	111.93
Investments in equity shares sold to	Edelweiss Financial Services Limited	-	0.10
Investments in equity shares sold to	Edelweiss Securities And Investments Private Limited	495.28	1,451.97
Investments in Compulsory Convertible debentures of	Ecap Equities Limited	-	2,000.00
	Edelweiss Investment Adviser Limited	-	5,750.00
Withdrawal of capital from partnership firm	Edelweiss Resolution Advisors LLP	0.13	0.24
	Edelweiss Multi Strategy Fund Advisors LLP	-	7.02
Investments in Other	India Credit Investment Fund II	2,172.71	238.33
	Edelweiss Value and Growth Fund	-	10.09
	Edelweiss Private Equity Tech Fund	-	5.83
Principal Repayment from fund	India Credit Investment Fund II	779.63	-
	India Credit Investment Fund I	-	-
Margin placed with	Nuvama Clearing Services Limited	0.55	880.10
	Edel Investments Limited	4.75	-
Margin withdrawn from	Nuvama Clearing Services Limited	2.05	880.10

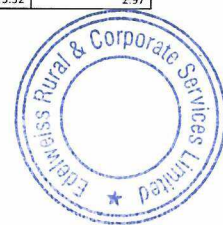


Edelweiss Rural & Corporate Services Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

Related Parties (Continued)

(i) Transaction and Balances with related parties for the year ended March 31, 2023

Particulars	Name of related parties	(Rs. in Millions)	
		2022-23	2021-22
	Edel Investments Limited	4.75	5.42
Purchase of fixed assets from	Nuvama Wealth Management Limited	0.00	0.07
	Edelweiss Global Wealth Management Limited	-	0.00
	Nuvama Wealth and Investment Limited	-	0.03
	Edelweiss Financial Services Limited	-	0.14
	ECL Finance Limited	0.12	0.07
	Edelweiss Retail Finance Limited	0.01	-
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	0.00
	Ecap Equities Limited	-	0.03
	Nuvama Wealth Finance Limited	-	1.35
	Edel Investments Limited	0.14	0.00
	Edelcap Securities Limited	0.28	0.03
	Edelweiss Investment Adviser Limited	-	0.00
	EdelGive Foundation	-	0.04
	Comtrade Commodities Services Limited	-	0.00
	Nuvama Clearing Services Limited	-	0.00
Sale of fixed assets to	Nuvama Wealth Management Limited	0.00	0.02
	Nuvama Clearing Services Limited	-	0.00
	Nuvama Wealth and Investment Limited	-	0.05
	Edelcap Securities Limited	-	0.05
	Edelweiss Financial Services Limited	-	0.11
	ECL Finance Limited	-	1.12
	ZUNO General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	-	1.31
	Edelweiss Asset Reconstruction Company Limited	-	0.02
	Nuvama Wealth Finance Limited	-	0.04
	Edelweiss Investment Adviser Limited	-	0.01
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	0.07
	Ecap Equities Limited	-	0.07
	Edelweiss Retail Finance Limited	-	0.02
	EdelGive Foundation	-	0.01
	Edelweiss Global Wealth Management Limited	-	0.00
	Edelweiss Asset Management Limited	-	0.00
	Edel Investments Limited	0.00	0.03
	Edelweiss Alternative Asset Advisors Limited	-	0.01
	Nuvama Asset Management Limited	-	0.00
Purchase/subscription of debentures from	Ecap Equities Limited	-	2,750.00
	Nuvama Asset Management Limited	53.35	-
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	94.78
Sale of Debentures to	ECL Finance Limited	1,889.04	-
	Edel Investments Limited	-	3,890.00
	Edel Finance Company Limited	-	19.12
	Nuvama Wealth and Investment Limited	-	115.88
	Edelweiss Investment Adviser Limited	166.89	-
	Edelcap Securities Limited	373.85	-
	Edel Finance Company Limited	2,130.43	-
Issuance of debentures to	Ecap Equities Limited	5,500.00	-
Redemption of debentures held in	Ecap Equities Limited	1,076.63	5,159.28
	ECL Finance Limited	-	1,200.00
Redemption of debentures held by	Ecap Equities Limited	4,440.10	-
	Edelweiss Investment Adviser Limited	805.44	-
	Edelcap Securities Limited	355.56	-
	Edelweiss Retail Finance Limited	8.30	-
Security deposit received from	Nuvama Wealth Management Limited	-	7.33
	Nuvama Clearing Services Limited	-	84.44
Security deposit repaid to	Edelweiss Global Wealth Management Limited	-	75.00
	Ecap Equities Limited	-	100.00
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	100.00
	ECL Finance Limited	-	500.00
Remuneration/Professional fee paid to	Santosh Dadheech	-	9.83
	Manoj Sharma	-	2.97
	Ananya Suneja	-	20.60
	Chirag Shah	1.06	-
	Shailly Kedia	0.06	-
	Nikhil Johari	15.25	-
Director Sitting Fees	Kunnasagar Chinniah	0.14	0.46
	Bharat Bakshi	0.30	-
	Vinod Juneja	0.34	0.34
Income			
Business support service charges from	ECL Finance Limited	68.31	72.36
	Nuvama Wealth and Investment Limited	3.52	2.97



Edelweiss Rural & Corporate Services Limited
Notes to the financial statements for the year ended 31. March 2023 (continued)
(Currency : Indian rupees in millions)

Related Parties (Continued)

(i) Transaction and Balances with related parties for the year ended March 31, 2023

		(Rs. in Millions)	
Particulars	Name of related parties	2022-23	2021-22
	Nuvama Wealth Management Limited	244.00	268.18
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	53.53	48.61
	Edelweiss Retail Finance Limited	0.90	0.76
	Nuvama Clearing Services Limited	0.14	0.26
	Edelweiss Asset Reconstruction Company Limited	35.09	28.20
	Edel Finance Company Limited	2.71	0.76
	Edelweiss Financial Services Limited	46.76	43.67
	Edelweiss Global Wealth Management Limited	0.07	0.24
	Edelweiss Alternative Asset Advisors Limited	6.17	3.46
	ZUNO General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	53.88	43.98
	Edelweiss Asset Management Limited	4.89	3.81
	Edelcap Securities Limited	65.44	56.05
	Nuvama Wealth Finance Limited	0.71	0.87
	Comtrade Commodities Services Limited	0.08	0.24
	Edel Investments Limited	5.45	1.57
	Edelweiss International (Singapore) Pte. Limited	7.89	6.29
	Ecap Equities Limited	13.96	17.15
	Edelweiss Tokio Life Insurance Company Limited	72.62	68.00
	EdelGive Foundation	8.15	5.57
	Edelweiss Investment Adviser Limited	1.85	0.02
	Edelweiss Securities And Investments Private Limited	44.79	43.01
	Edelweiss Trusteeship Company Limited	0.01	0.01
	Nuvama Asset Management Limited	0.03	0.04
	Sekura India Management Limited	0.50	-
	Ecap Securities And Investments Limited	0.00	-
Corporate Guarantee Commission Income	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	0.03	0.02
	ECL Finance Limited	0.02	0.02
	Edel Finance Company Limited	6.82	6.93
	Edelweiss Retail Finance Limited	0.00	0.00
Rating Support Fees Income	Edelweiss Financial Services Limited	-	0.09
	Nuvama Wealth Management Limited	-	0.03
	Nuvama Wealth Finance Limited	-	0.13
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	0.13
	ECL Finance Limited	-	0.68
	Nuvama Wealth and Investment Limited	-	0.02
	Nuvama Clearing Services Limited	-	0.03
	Edelweiss Asset Reconstruction Company Limited	-	0.07
	Edel Finance Company Limited	-	0.08
	Edelweiss Retail Finance Limited	-	0.06
	Edelweiss Alternative Asset Advisors Limited	-	0.00
	Ecap Equities Limited	-	0.02
Interest income on debentures (Including CCD)	ECL Finance Limited	143.47	239.31
	Edelweiss Investment Adviser Limited	0.58	1.55
	Edelweiss Retail Finance Limited	1.62	1.64
	Edel Finance Company Limited	2.64	2.64
	Ecap Equities Limited	15.14	25.13
Interest income on Nifty Linked Debentures	Ecap Equities Limited	269.59	838.39
Interest income on loan from	ECL Finance Limited	8.31	193.45
	Ecap Securities And Investments Limited	-	228.93
	Allium Finance Private Limited	-	0.12
	Edelweiss Investment Adviser Limited	929.91	994.95
	Nuvama Wealth and Investment Limited	11.36	-
	Edelcap Securities Limited	30.37	1.30
	Edelweiss Alternative Asset Advisors Limited	33.66	7.35
	Edel Investments Limited	-	10.31
	Edelweiss Global Wealth Management Limited	4.97	54.99
	Edelweiss Retail Finance Limited	2.25	4.84
	Ecap Equities Limited	70.76	1,195.97
	Comtrade Commodities Services Limited	1.43	1.61
	Edelweiss Securities And Investments Private Limited	70.69	65.72
	Edel Finance Company Limited	151.55	340.63
Interest income on margin placed with	Nuvama Clearing Services Limited	-	0.16
Share of Profit in LLP	Edelweiss Resolution Advisors LLP (Edelweiss Wealth Advisors LLP)	0.03	-
	Edelweiss Multi Strategy Fund Advisors LLP	-	4.19
Share of loss from fund	Edelweiss Multi Strategy Fund Advisors LLP	0.05	-
	Edelweiss Resolution Advisors LLP	-	0.04
Rental income from	ECL Finance Limited	12.04	11.78
	Edelweiss Financial Services Limited	28.68	26.89
	Nuvama Wealth Management Limited	12.57	12.93
	Nuvama Wealth and Investment Limited	1.03	0.20
	Edelweiss Alternative Asset Advisors Limited	71.79	45.18
	Edelweiss Asset Reconstruction Company Limited	64.31	44.73
	Nuvama Clearing Services Limited	98.14	93.72

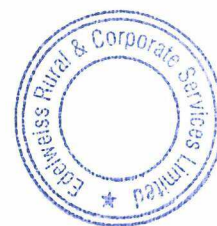


Edelweiss Rural & Corporate Services Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

Related Parties (Continued)

(i) Transaction and Balances with related parties for the year ended March 31, 2023

		(Rs. in Millions)	
Particulars	Name of related parties	2022-23	2021-22
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	0.03	-
	Nuvama Wealth Finance Limited	0.17	-
	Edelcap Securities Limited	20.83	14.01
	Edel Investments Limited	18.72	25.25
	Edelweiss Asset Management Limited	13.87	24.96
	Ecap Equities Limited	4.42	2.28
	EdelGive Foundation	1.18	1.12
	Nuvama Asset Management Limited	0.01	-
Investment management support service from	Edelweiss International (Singapore) Pte. Limited	8.20	1.69
Cost reimbursements recovered from	ECL Finance Limited	1.30	2.79
	Edelweiss Financial Services Limited	0.91	1.61
	Nuvama Wealth Management Limited	4.81	12.56
	Nuvama Wealth and Investment Limited	0.06	2.84
	Edelweiss Alternative Asset Advisors Limited	2.85	1.74
	Nuvama Clearing Services Limited	9.84	2.83
	Edelcap Securities Limited	1.14	4.27
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	0.01	1.00
	Nuvama Wealth Finance Limited	0.01	0.50
	Edelweiss Global Wealth Management Limited	-	0.09
	Edel Investments Limited	2.05	1.93
	ZUNO General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	2.27	0.59
	Edelweiss Tokio Life Insurance Company Limited	-	4.95
	Ecap Equities Limited	0.41	0.57
	EdelGive Foundation	0.05	0.08
	Edel Finance Company Limited	-	0.01
	Edelweiss Asset Management Limited	0.80	1.18
	Edelweiss Asset Reconstruction Company Limited	2.67	1.91
	Edelweiss Retail Finance Limited	0.00	0.38
	Edelweiss Investment Adviser Limited	-	0.00
	Nuvama Asset Management Limited	0.01	0.09
	Edelweiss Trusteeship Company Limited	-	0.00
	Nuvama Clearing Services Limited	-	0.15
	Edelweiss Securities And Investments Private Limited	0.00	-
Income distribution from Fund	India Credit Investment Fund	-	64.69
	Edelweiss Value & Growth Fund	-	283.76
Expenses			
Clearing expenses to	Nuvama Clearing Services Limited	0.45	-
	Nuvama Wealth Management Limited	0.00	-
Cost reimbursement to	Edelweiss Financial Services Limited	-	8.16
	Nuvama Wealth and Investment Limited	-	0.00
	Nuvama Wealth Management Limited	-	0.62
	Edelweiss Alternative Asset Advisors Limited	13.92	11.54
	Ecap Equities Limited	3.43	0.01
	Edelcap Securities Limited	3.01	0.01
	Nuvama Wealth Finance Limited	0.08	-
	ECL Finance Limited	14.66	98.29
	Edelweiss Securities And Investments Private Limited	-	0.00
	Nuvama Clearing Services Limited	-	0.60
	Edelweiss International (Singapore) Pte. Ltd.	-	0.01
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	0.02	0.16
	Edelweiss Retail Finance Limited	-	0.11
	EdelGive Foundation	-	0.00
	Edel Investments Limited	1.67	-
	Edel Finance Company Limited	0.12	-
	Edelweiss Asset Management Limited	0.25	-
Management fees paid to	ECL Finance Limited	117.60	-



Edelweiss Rural & Corporate Services Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

Related Parties (Continued)

(i) Transaction and Balances with related parties for the year ended March 31, 2023

		(Rs. in Millions)	
Particulars	Name of related parties	2022-23	2021-22
Brokerage and commission expenses	Nuvama Wealth Management Limited	-	2.42
	ECL Finance Limited	-	0.00
	Ecap Equities Limited	-	0.00
	Edel Investments Limited	0.73	-
Interest expenses on loans from	Edelweiss Financial Services Limited	1,009.00	2,005.73
	Edel Finance Company Limited	25.03	1.11
	ECL Finance Limited	28.13	-
	Edelcap Securities Limited	35.14	47.36
	Edel Investments Limited	62.52	79.29
	Allium Finance Private Limited	12.75	10.14
	Ecap Equities Limited	19.78	267.10
	Edelweiss Securities And Investments Private Limited	-	0.02
	Edelweiss Retail Finance Limited	145.97	191.35
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	122.70	93.46
Interest expenses on Security deposit	ECL Finance Limited	-	58.68
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	11.74
Interest expenses on debentures	Edelcap Securities Limited	76.35	74.37
	Ecap Equities Limited	477.56	400.44
	Edel Investments Limited	0.44	166.01
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	13.21
	Edelweiss Securities And Investments Private Limited	-	12.40
	Edelweiss Investment Adviser Limited	1.38	24.70
Interest on CCD	Edel Finance Company Limited	1.71	0.90
Interest / dividend on preference shares	ECL Finance Limited	81.64	74.98
	Ecap Equities Limited	110.17	103.50
Interest Exps - ICD	Nuvama Wealth Management Limited	2.71	-
Rating fees to and Bank guarantee commission	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	0.00	-
Balances with related parties as on 31 March 2023 - (Assets)			
Accrued interest income on loans given	Edelweiss Investment Adviser Limited	55.82	96.76
	Edelweiss Global Wealth Management Limited	-	6.23
	Comtrade Commodities Services Limited	-	0.15
	Ecap Securities And Investments Limited	-	5.50
	Edelweiss Securities And Investments Private Limited	-	7.38
	Ecap Equities Limited	0.17	130.81
	Edel Investments Limited	0.00	0.00
	Edel Finance Company Limited	-	41.82
	ECL Finance Limited	-	152.00
	Edelweiss Alternative Asset Advisors Limited	3.12	3.63
Interest receivable on debentures from	Edelweiss Retail Finance Limited	0.03	0.04
	Edel Finance Company Limited	1.78	1.78
	Ecap Equities Limited	-	15.40
Investment in Partnership Firm	Edelweiss Resolution Advisors LLP	-	0.10
	Edelweiss Multi Strategy Fund Advisors LLP	-	0.05
Investments in equity shares in	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	2,829.00	2,829.00
	Comtrade Commodities Services Limited	38.86	38.86
	Edelweiss Investment Adviser Limited	1,000.10	1,000.10
	Allium Finance Private Limited	67.35	21.18
	Edelweiss Asset Reconstruction Company Limited	-	110.35
Investments in preference shares in	Allium Finance Private Limited	858.92	839.74
Investment in others	Edelweiss Value and Growth Fund	-	314.09
	Edelweiss Private Equity Tech Fund	-	199.80
	India Credit Investment Fund II	2,611.79	1,507.03
Partner's current account - receivable from	Edelweiss Resolution Advisors LLP	-	0.32
	Edelweiss Multi Strategy Fund Advisors LLP	3.11	3.18
Partner's capital account - receivable from	Edelweiss Multi Strategy Fund Advisors LLP	0.05	-
Investments in debentures(Including CCD)	ECL Finance Limited	-	2,120.60
	Ecap Equities Limited	6,600.59	6,600.36
	Edelweiss Investment Adviser Limited	5,750.42	5,750.48

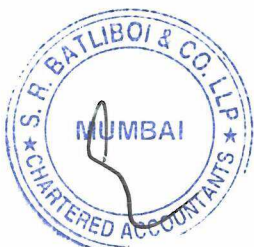


Edelweiss Rural & Corporate Services Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

Related Parties (Continued)

(i) Transaction and Balances with related parties for the year ended March 31, 2023

		(Rs. in Millions)	
Particulars	Name of related parties	2022-23	2021-22
Trade receivables from	Edel Finance Company Limited	2.17	4.63
	Edelweiss International (Singapore) Pte. Limited	3.38	1.79
	EdelGive Foundation	1.62	0.33
	Edelweiss Trusteeship Company Limited	0.00	0.00
	Edelweiss Multi Strategy Funds Management pvt Ltd	-	0.00
	Edel Investments Limited	2.30	1.87
	Ecap Equities Limited	2.91	0.22
	Edelcap Securities Limited	16.33	6.28
	Edelweiss Alternative Asset Advisors Limited	25.11	3.78
	Edelweiss Asset Management Limited	3.45	2.79
	Edelweiss Asset Reconstruction Company Limited	18.10	6.73
	Edelweiss Financial Services Limited	11.55	5.60
	ZUNO General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	4.44	8.56
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	11.03	20.43
	Edelweiss Retail Finance Limited	0.36	0.30
	Edelweiss Securities And Investments Private Limited	8.60	5.32
	Edelweiss Tokio Life Insurance Company Limited	10.54	7.14
	Edelweiss Multi Strategy Fund Advisors LLP	0.02	0.01
	ECL Finance Limited	35.35	22.30
	Edelweiss Global Wealth Management Limited	0.05	-
	Edelweiss Investment Adviser Limited	0.32	-
	Ecap Securities And Investments Limited	0.00	-
	Comtrade Commodities Services Limited	0.00	-
	Allium Finance Private Limited	0.01	-
	Other Receivable		
	ECL Finance Limited	0.00	-
	ZUNO General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	0.00	0.12
	Edelcap Securities Limited	0.58	-
	Comtrade Commodities Services Limited	0.00	-
	Edel Investments Limited	0.09	-
	Ecap Equities Limited	156.20	0.00
	Edel Finance Company Limited	0.02	0.06
	Edelweiss Financial Services Limited	1.40	-
	Allium Finance Private Limited	0.09	0.00
	EdelGive Foundation	0.64	0.56
	Edelvalue Partners	-	-
	Edelweiss Asset Management Limited	-	0.02
	Edelweiss Asset Reconstruction Company Limited	-	0.03
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	0.00	0.00
	Edelweiss Securities Trading and Management Pvt. Ltd. - Dahlia	0.00	-
	Edelweiss Securities And Investments Private Limited	0.00	-
	Comtrade Commodities Services Limited	0.00	-
Loans and advances given to	Edelweiss Investment Adviser Limited	5,889.72	9,492.31
	Edelweiss Alternative Asset Advisors Limited	220.00	330.00
	Comtrade Commodities Services Limited	-	14.46
	Ecap Equities Limited	-	399.18
	Edelweiss Securities And Investments Private Limited	-	1,544.26
	Edel Finance Company Limited	-	2,632.60
	ECL Finance Limited	-	780.00
Stock in trade/ Nifty Linked Debentures	Ecap Equities Limited	123.76	3.00
Non convertible debentures	Edelweiss Retail Finance Limited	10.47	18.61
	Edel Finance Company Limited	24.94	28.07
	Ecap Equities Limited	-	555.97
Balances with related parties as on 31 March 2023 - (Liabilities)			
Subordinated Preference Shares	Edel Finance Company Limited	20.00	918.36
	Ecap Equities Limited	406.68	1,296.51
Accrued interest expense on loans taken from	ECL Finance Limited	0.87	0.24
	Allium Finance Private Limited	-	0.75
	Edel Investments Limited	1.83	7.29
	Edel Finance Company Limited	7.72	-
	Edelweiss Retail Finance Limited	-	20.88
	Edelweiss Financial Services Limited	50.63	244.11
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	9.26
	Ecap Equities Limited	4.74	121.11
	Edelcap Securities Limited	-	7.55
	Comtrade Commodities Services Limited	0.00	-
Interest Payable-CCD	Edel Finance Company Limited	0.90	-
Non convertible debentures held by	Edel Investments Limited	-	300.82
	Ecap Equities Limited	4,131.00	4,064.34
	Edelcap Securities Limited	1,369.00	350.53
	Edelweiss Tokio Life Insurance Company Limited	-	200.00
	Edelweiss Investment Adviser Limited	-	790.81



Edelweiss Rural & Corporate Services Limited
Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

Related Parties (Continued)

(i) Transaction and Balances with related parties for the year ended March 31, 2023

		(Rs. in Millions)	
Particulars	Name of related parties	2022-23	2021-22
Interest Payable on Debenture	Edel Investments Limited	-	0.53
	Ecap Equities Limited	113.18	70.66
	Edelcap Securities Limited	17.63	4.62
	Edelweiss Investment Adviser Limited	-	14.06
Rental deposits received from	Edelweiss Asset Reconstruction Company Limited	50.00	50.00
	Edelweiss Alternative Asset Advisors Limited	17.72	-
Trade payables to	Edelweiss Financial Services Limited	0.05	-
	EC Global Limited	-	0.02
	ECL Finance Limited	24.47	-
	Edelweiss Investment Adviser Limited	0.01	0.00
	Edelweiss Alternative Asset Advisors Pte. Limited	-	0.14
	Edelweiss Asset Management Limited	0.01	-
	Edelcap Securities Limited	0.21	-
	Edelweiss Asset Reconstruction Company Limited	0.51	-
	Edelweiss Tokio Life Insurance Company Limited	0.00	-
	Ecap Securities And Investments Limited	0.11	-
	Edelweiss Alternative Asset Advisors Limited	8.53	-
	Edelweiss Retail Finance Limited	0.03	-
	Edelvalue Partners	0.00	-
	Edelweiss Financial Services Limited	-	0.81
	Edel Finance Company Limited	-	0.04
	Edelweiss Asset Reconstruction Company Limited	0.87	0.00
Other Payable	Edelweiss Retail Finance Limited	0.46	0.00
	Edelweiss Investment Adviser Limited	-	0.01
	EdelGive Foundation	0.24	-
	Comtrade Commodities Services Limited	0.09	-
	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	0.00	-
	Edelweiss Asset Management Limited	12.11	-
	Edelweiss Alternative Asset Advisors Limited	0.87	-
	Edel Investments Limited	0.75	-
	ECL Finance Limited	0.01	-
	Ecap Equities Limited	0.61	-
	Sekura India Management Limited	0.01	-
	Edelcap Securities Limited	0.01	-
	Allium Finance Private Limited	-	80.72
	Edel Finance Company Limited	1,671.50	-
	Edel Investments Limited	-	685.00
	Edelweiss Financial Services Limited	4,100.00	9,339.23
Loans taken from	Edelcap Securities Limited	-	944.46
	Ecap Equities Limited	1,460.10	-
	Edelweiss Asset Management Limited	-	-
	Edelweiss Alternative Asset Advisors Limited	-	-
Off balance sheet item			
Corporate guarantee given for	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	1,353.25	1,612.82
	ECL Finance Limited	149.30	249.09
	Edel Finance Company Limited	701.80	726.55
	Edelweiss Retail Finance Limited	-	32.49
	Edelweiss Investment Adviser Limited	3,290.60	-
Corporate guarantee taken from	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	950.00

0.00 indicates amounts less than Rs. 0.01 millions



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

40 Investments in partnership firms:

Particulars	Edelweiss Multi Strategy Fund Advisors LLP	
	As at 31st March 2023	As at 31st March 2022
Total capital of partnership firm	Rs. 0.10 millions	Rs. 0.10 millions
Name of partners	Share in capital and share in profit/loss	
Ecap Equities Limited (formerly known as Edel Land Limited)	50.00%	50.00%
Edelweiss Rural & Corporate Services Limited	50.00%	50.00%

Particulars	Edelweiss Wealth Advisors LLP	
	As at 31st March 2023	As at 31st March 2022
Total capital of partnership firm	Rs. 0.10 millions	Rs. 0.10 millions
Name of partners	Share in capital and share in profit/loss	
Edelweiss Rural & Corporate Services Limited	99.97%	99.97%
Ecap Equities Limited (formerly known as Edel Land Limited)	0.01%	0.01%
Ram Setia	0.01%	0.01%
Mahindra Banjger	0.01%	0.01%



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

41 Contingent liabilities and commitments :

41.1 Contingent liabilities and commitments

- a) Taxation matters in respect of which appeal is pending Rs. 248.10 million (Previous year: Rs. 409.60 million).
- b) The Company has given composite corporate guarantee to bank for Rs. 585.50 millions (Previous year: Rs. 569.98 millions) for availing fund based Banking facilities by its subsidiary/fellow Subsidiary Companies i.e. Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited), ECL Finance Limited and Edelweiss Retail Finance Limited.
With reference Deed of Guarantee agreement between the Company and the Lender, the liability of the Company is lower of value of immovable properties of the Company or outstanding respective facilities of the respective Group Companies. The charge created on immovable properties of the Company amounting to Rs. 585.50 millions (Previous year: Rs. 569.98 million).
- c) Corporate guarantee given by the company to the bank for Rs.917.05 millions (Previous year: Rs.1,324.42 millions) for availing Fund based Banking facilities by its subsidiary Company Edelweiss Housing Finance Limited.
- d) The Company has given guarantee of Rs. 701.80 millions (Previous year Rs.726.55 millions) on behalf of Edel Finance Company Limited ('EFCL'), a holding company, which has sold certain financial assets to Edelweiss Asset Reconstruction Company Limited ('EARC'), another group company. The terms of sale required any Edelweiss group company to provide EARC with unconditional and irrevocable guarantee for securing the guaranteed obligation of EFCL.
- e) The Company has provided Corporate Guarantee to VISTRA ITCL (India) Limited for borrowings from BPEA Credit India Fund III ('Barings') amounting to Rs. 3,290.60 million on behalf of its wholly owned subsidiary Edelweiss Investment Advisors Ltd (EIAL) in respect of credit facilities obtained by EIAL.
- f) Undrawn Commitments for AIF funds Rs. 384.95 million (Previous Year Rs. 4,743.14 million)
- g) The company has provided bank guarantees amounting to Rs.319.23 millions (Previous year: Rs 319.23 millions).
- h) Certain assets amounting to Rs. Nil (Rs. 1284.40 millions were sold to alternative assets funds by the fellow subsidiary NBFCs. The Company has, vide a put agreement dated 31 July 2021, has guaranteed / undertaken to purchase these financial assets amounting to Rs. 1284.40 million on occurrence of certain trigger event as per the agreement.

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax / GST 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 amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

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

41.2 The Income Tax Authorities (" the Department") had conducted a search under section 132 of the Income Tax Act, 1961 on the premises of the Company during March 2023. The Company had provided the requisite details which were sought by the income tax authorities during the course of the search. Subsequently, the Company has received summons under section 131 (1A) of the Income Tax Act, 1961 seeking certain data/information, which the Company is in the process of responding. The Company confirms that neither the Department has raised any tax demand nor the Company has admitted any tax liability. Further, no proceeding or assessment orders have been issued post the search conducted by the Department. While uncertainty exists regarding the outcome of the proceedings by the Department, the Company is extending its full cooperation with the concerned income tax authorities and based on current internal assessment management is of the view that this will not have any impact on the Company's financial statements for the year ended March 31, 2023.

41.3 During the year, Company has provided Corporate Guarantee to BPEA Credit India Fund III ('Barings') amounting to Rs. 3,650.00 Millions on behalf of its wholly owned subsidiary Edelweiss Investment Advisors Ltd (EIAL) in respect of credit facilities obtained by EIAL. Such guarantees given during the year were approved by the Operations Committee on August 10, 2022 and March 21, 2023. Such credit facilities of EIAL are secured by EIAL's investments in Participative Non-Convertible Debentures (PNCD) of Rs. 2,040.00 millions issued by Edelweiss Asset Reconstruction Company (EARC), a fellow subsidiary, and mortgage of a property in favour of EIAL by Ecip Equities Limited (Formerly Edel Land Limited), a fellow subsidiary. As at 31 March 2023 we confirm that total guarantee of Rs. 5,495.00 millions has not been invoked by various ultimate lenders and hence there is no impact required to be recorded in the books of the Company.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

42 Encumbrances on fixed deposits held by the Company:

- a) Fixed deposits aggregating to Rs. 59.24 millions (Previous year: Rs. 57.15 millions) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
- b) Fixed deposits aggregating to Rs. 6.60 millions (Previous year: Rs.16.50 millions) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
- c) Fixed deposits aggregating to Rs. 13.09 millions (Previous year: Rs. 14.31 millions) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.
- d) Fixed deposits aggregating to Rs.322.53 millions (Previous year: Rs. 322.83 millions) have been pledged with banks for securing bank Guarantee.
- e) Interest accrued on above Fixed deposits Rs. 21.97 millions (Previous year: Rs. 1.23 millions) have been pledged with banks.



43 Earnings per share (EPS)

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

In accordance with Ind AS- 33 – "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2015, the computation of earnings per share is set out below:

	2022-23	2021-22
Profit /(loss) for the year	(1,968.54)	(746.01)
Weighted average number of equity shares for calculating basic EPS		
Number of shares outstanding at the beginning of the year	46,535,367	39,775,367
Number of Shares issued during the year	-	6,760,000
Compulsory Convertible Debenture and Preference share	25,749,955	25,749,955
Total number of equity shares outstanding at the end of the year	72,285,322	72,285,322
Weighted average number of equity shares for calculating Basic EPS	72,285,322	65,562,363
Number of dilutive potential equity shares	-	-
Weighted average number of equity shares for calculating diluted EPS	72,285,322	65,562,363
Earnings per share (EPS) (Face value Re.1 each)		
Basic earnings share (in Rs)	(27.23)	(11.38)
Dilutive earning per share (in Rs)*	(27.23)	(11.38)

*The weighted average number of shares takes into account 25,749,955 equity shares to be converted on issuance of compulsorily convertible debentures ("CCD") & compulsorily convertible preference shares ("CCPS")

44 Capital commitments (to the extent not provided for):

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 2.04 millions (Previous year: Rs. 1.95 millions).



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

45 Leases:-

- 1) This note provides information for Right of use assets where the company is a lessee. Company has not given any property on lease.
Carrying amounts of right-of-use assets recognised and the movements

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as at	2.59	8.37
Addition / disposal during year	0.00	(4.69)
Amortisation for the year	(1.67)	(1.09)
Closing balance as at	0.92	2.59

- 2) This note provides information for leases where the Company is a lessee.

Carrying amounts of lease liabilities and the movements

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance as at	3.07	18.41
Addition / disposal during year	(2.19)	(15.74)
Accretion of interest	0.26	0.40
Closing balance as at	1.14	3.07

- 3) The statement of profit or loss shows the following amounts relating to leases.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on ROU of assets	1.67	1.09
Interest cost	0.26	0.40
Total amount recognised in the statement of profit and loss	1.93	1.49

- 4) This note provides information for total cash outflow on account of leases.

Particulars	Mar-23	Mar-22
Cash outflow of long term leases	0.26	0.40

- 5) This note provides details regarding the contractual maturities of lease liabilities, on an undiscounted basis.

Particular	As at March 31, 2023	As at March 31, 2022
Less than 1 year	-	-
1-3 years	1.14	3.07
3-5 years	-	-
More than 5 years	-	-



46 Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Rs.17.38 million (Previous year: Rs. 20.60 million) is recognised as expense and included in "Employee benefit expense" in the statement of profit and loss

B) Defined benefit plan (Gratuity):

The following tables summarise the components of the net benefit expenses recognised in the statement of profit and loss and the funded and unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

	2022-23	2021-22
Current service cost	5.01	5.14
Interest on defined benefit obligation	(1.86)	(2.00)
Total included in 'Employee benefits expense'	3.15	3.14

Movement in Other Comprehensive Income:

	2022-23	2021-22
Balance at start of year (Loss)/ Gain	(20.33)	7.49
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	2.23	1.21
b. Actuarial (Loss)/ Gain from experience over the past year	(0.75)	(3.38)
c. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	(1.62)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(2.36)	2.25
Re-measurements on Asset Ceiling		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(3.30)	(26.28)
Balance at end of year (Loss)/ Gain	(24.52)	(20.33)

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

	2022-23	2021-22
Present value of DBO at the beginning of the year	37.42	53.23
Transfer in / (Out)	(2.92)	(7.39)
Interest cost	2.04	2.29
Current service cost	5.01	5.14
Benefits paid	(4.22)	(19.63)
Actuarial (gain)/loss	(1.48)	3.79
Present value of DBO at the end of the year	35.85	37.43

Reconciliation of fair value of plan assets:

	2022-23	2021-22
Fair value of plan assets at the beginning of the year	92.61	86.07
Contributions by Employer	4.22	19.63
Benefits paid	(4.22)	(19.63)
Interest income	5.45	4.29
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	(2.36)	2.25
Fair value of plan assets at the end of the year	95.69	92.61

Net Liability/ (Asset) recognised in the Balance Sheet

	2022-23	2021-22
Present Value of DBO	35.85	37.43
Fair Value of Plan Assets	95.69	92.61
Net Liability/ (Asset)	(59.84)	(55.16)
Funded Status [Surplus/ (Deficit)]	59.84	55.16
Less: Amount not recognized as asset [Effect of limiting net assets to asset ceiling]	31.13	26.28
Net (Liability)/ Asset recognised in the Balance Sheet	28.71	28.89
Of Which, Short term Liability		
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	0.75	3.38



46 Retirement benefit plan (Continued)

B) Defined benefit plan (Gratuity) (Continued):

Net asset / (liability) recognised in the balance sheet:

	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Present value of Defined Benefit Obligat	35.85	37.43	53.23	74.96	68.59
Fair value of plan assets at the end of the year	95.69	92.61	86.07	70.80	63.96
Net Liability / (Assets)	(59.84)	(55.16)	(32.84)	4.16	4.63
Less: Effect of limiting net assets to asset ceiling	31.13	26.28	-	-	-
Liability / (Assets) recognised in the bala	(28.71)	(28.89)	(32.84)	4.16	4.63

Experience adjustments:

	2023	2022	2021	2020	2019
On plan liabilities: loss / (gain)	0.75	3.38	(6.10)	4.76	5.33
On plan assets: gain / (loss)	-	-	-	-	-
Estimated contribution for next year	-	-	-	4.00	4.50

Principal actuarial assumptions at the balance sheet date:

	2022-23	2021-22
Discount rate	7.10%	5.90%
Salary escalation	7%	7%
Employees attrition rate	16%	16%
Expected return on plan asset	5.90%	5.00%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

Percentage Break-down of Total Plan Assets

	2022-23	2021-22
Investment Funds with Insurance Company and Cash	96.2%	96.0%
Cash and cash equivalents	3.8%	4.0%
Total	100.0%	100.0%

DBO increases / (decreases) by	2022-23	2021-22
Increase of 1% in Salary Growth Rate	1.66	1.90
Decrease of 1% in Salary Growth Rate	(1.58)	(1.75)
Increase of 1% in Discount Rate	(1.57)	(1.75)
Decrease of 1% in Discount Rate	1.68	1.94
Increase of 1% in Attrition Rate	0.01	(0.09)
Decrease of 1% in Attrition Rate	(0.01)	0.10
Mortality (Increase in expected lifetime by 1 year)	Negligible	2.00
Mortality (Increase in expected lifetime by 3 years)	Negligible	6.00

47

Employee Stock Option Plans

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans and Stock Appreciation Rights Plans (SAR) in force. Based on such ESOP/SAR schemes, parent entity has granted an ESOP/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. The company has accepted such cross charge and recognised the same under the employee benefit expense. Current year charge of Rs.3.68 millions (previous year release of Rs. 8.96 millions).



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

48 Cost sharing and other recoveries

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group Medclaim, etc. which is for the common benefit of itself and certain subsidiaries including the company. This cost so expensed 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, costs like rent, electricity charges incurred by the company for the benefit of fellow subsidiaries and associate companies are recovered as reimbursement by the company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 34 and 36 include reimbursements paid and are net of the reimbursements received based on the management's best estimate.

As per the master service agreement, the company provides necessary support for activities relating to information technology, human resource, administrative, finance and operations related services to holding company, subsidiaries, fellow subsidiaries and associate companies. The income in note 28 as Business support services income relates to amount recovered from these entities for the said services.

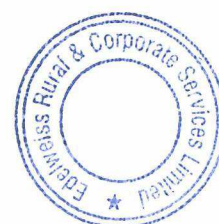
Other recoveries:

The income in note 31 relates to amount recovered from the holding company, subsidiaries, fellow subsidiaries, for occupying office premises in the company's building.

49 Disclosure of loans and advances pursuant to regulation 53(f) of the Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations, 2015:

	March 31, 2023		March 31, 2022	
	Amount outstanding	Maximum Amount o/s during the year	Amount outstanding	Maximum Amount o/s during the year
loan to Holding Company & Subsidiary				
a) Edel Finance Company Limited	-	6,838.90	2,632.60	6,585.00
b) EC Commodity Limited	-	-	-	4,198.82
c) Edelweiss Comtrade Limited	-	18.93	14.46	14.51
d) Edelweiss Investment Adviser Limited*	5,889.72	10,553.99	9,492.31	12,961.22
e) Allium Finance Private Limited	-	-	-	46.23
f) Edelweiss Alternative Asset Advisors Limited	220.00	330.00	-	-
g) Ecap Equities Limited (formerly known as Edel Land Limited)	-	2,521.68	-	-
h) Edelweiss Global Wealth Management Limited	-	121.44	-	-
i) Edelweiss Securities and Investment Private Limited	-	1,544.26	-	-
j) ECL Finance Limited	-	780.00	-	-
k) Edelcap Securities Limited	-	924.58	-	-
l) Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)	-	1,000.00	-	-
m) Edelweiss Retail Finance Limited	-	1,750.00	-	-
loan from Holding Company & Subsidiary				
a) Edelweiss Financial Services Limited	4,100.00	10,929.23	9,339.23	22,885.95
b) Edel Finance Company Limited	-	-	-	50.51
c) Allium Finance Private Limited	-	160.32	80.72	227.48
d) Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	-	-	-	2,100.00
e) Ecap Equities Limited (formerly known as Edel Land Limited)	1,460.10	1,460.10	-	-
f) Edel Investments Limited	-	1,146.20	-	-
g) Edelcap Securities Limited	-	1,156.16	-	-
h) Edelweiss Housing Finance Limited	-	2,950.00	-	-
i) ECL Finance Limited	-	1,590.00	-	-
j) Edel Finance Company Limited	1,671.50	1,671.50	-	-

*Refer note no 60 Credit Quality of loans.



Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

50 Details of dues to micro, small and medium enterprises:

Trade Payables includes Rs Nil (Previous year: Rs.2.07 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. 0.03 million interest has been paid by the Company during the year (Previous year: Nil) to "Suppliers" registered under this act. The afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

51 Corporate social responsibility (CSR):

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

- i) Gross amount required to be spent by the Company during the year was Rs. Nil millions (Financial Year 2021-22 Rs. Nil millions)
- ii) Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
Constructions / acquisition of any assets	-	-	-
On purpose other than (i) above	-	-	-

- iii) Shortfall at the end of the year was Rs. Nil millions (Financial Year 2021-22 Rs. Nil millions)
- iv) Total of previous years shortfall was Rs. Nil millions (Financial Year 2021-22 Rs. Nil millions)



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

52 Risk Management framework**A) Governance framework**

The primary objective of the Company's risk and financial management framework is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. The management recognises the critical importance of having efficient and effective risk management systems in place.

B) Approach to capital management

Company objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particular	As at 31st March 2023	As at 31st March 2022
Total Debt	22,099.11	35,087.06
Equity	4,325.56	6,292.58
Net Debt to Equity	5.11	5.58

C) Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and financial instruments.

The company's management policy is to closely monitor creditworthiness of counterparties by reviewing their credit ratings, financial statements on regular basis.

The company's financial assets subject to the expected credit loss model within Ind AS 109 are short-term trade and other receivables and financial instruments. Company applies the expected credit loss model for recognising impairment loss. Expected credit loss allowance in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.

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 financial instruments are classified into various stages as follows:

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

* dpd indicates days past due.

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.

Significant increase in credit risk (SICR)

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

Probability of Default

Historical dpd data is used to calculate historic default rates for each portfolio. This is done by using transition matrix which are calculated by assessing the transition from the one dpd state to the default dpd state 12 months from the cohort date.

Loss Given Default (LGD)

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

Exposure at Default (EAD)

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

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

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.



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

D) Liquidity risk and funding management

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. Exposure to liquidity risk arises because of:

- I) Possibility that the Company could be required to pay its current liabilities earlier than expected.
II) Mismatch in maturity profile of assets and liabilities
III) Delay in receipt of receivables including agency receivables

The Company's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- I) Withdrawal of cash deposits
II) Disposal of highly liquid assets (i.e. short-term, low-risk debt investments, inventory)
III) Either disposal of other assets or increase of leverage

The Company also has undrawn borrowing facilities amounting to Rs. Nil as on 31 March 2023 (as on 31 March 2022: Rs. 70 millions)

52.1. Analysis of financial assets and financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non derivatives financial liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

Analysis of non-derivative financial liabilities by remaining contractual maturities

As at 31-Mar-23

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	220.84	-	-	-	-	220.84
Borrowings (other than debt securities)	-	3,197.30	2,100.00	2,000.00	-	7,297.30
Debt securities	1,668.23	-	986.48	6,900.00	4,800.00	14,354.71
Subordinated financial liabilities	-	427.10	-	20.00	-	447.10
Other financial liabilities	163.85	7.08	1.29	163.03	-	335.25
Total undiscounted non-derivative financial liabilities	2,052.92	3,631.48	3,087.77	9,083.03	4,800.00	22,555.20

Analysis of non-derivative financial assets by remaining contractual maturities

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	83.83	10.30	29.10	36.41	341.97	501.61
Stock-in-trade	85.38	1.30	37.33	26.72	27.27	178.00
Trade receivables	352.40	-	-	-	-	352.40
Loans	-	0.00	236.33	61.33	-	297.66
Investments at fair value through profit or loss	-	-	-	-	3,580.57	3,580.57
Investments at amortised cost	6,603.75	-	-	2,829.00	6,176.70	15,609.45
Other financial assets	2.12	-	-	33.47	-	35.59
Total undiscounted non-derivative financial assets	7,127.48	11.60	302.76	2,986.93	10,126.51	20,555.28

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	-	-	-	384.95	-	384.95

Analysis of non-derivative financial liabilities by remaining contractual maturities

As at 31-Mar-22

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	97.19	-	-	-	97.19
Borrowings (other than debt securities)	1,293.62	-	5,249.42	9,270.00	-	15,813.04
Debt securities	5,589.87	-	5,019.00	-	6,430.64	17,039.51
Subordinated financial liabilities	-	-	2,234.50	-	-	2,234.50
Other financial liabilities	234.81	6.66	1.29	142.00	-	384.76
Total undiscounted non-derivative financial liabilities	7,118.30	103.85	12,504.21	9,412.00	6,430.64	35,569.00

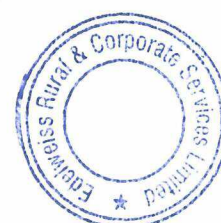
Analysis of non-derivative financial assets by remaining contractual maturities

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	119.02	30.97	36.53	335.06	4.06	525.64
Stock-in-trade	-	4.29	7.86	556.23	56.61	624.99
Trade receivables	-	106.69	81.21	-	-	187.90
Loans	441.16	0.92	1,120.09	9,373.34	-	10,935.51
Investments at fair value through profit or loss	-	-	-	4,173.20	-	4,173.20
Investments at amortised cost	-	-	-	16,170.64	2,120.59	18,291.23
Other financial assets	4.29	-	8.71	23.75	-	36.75
Total undiscounted non-derivative financial assets	564.47	142.87	1,254.40	30,632.22	2,181.26	34,775.23

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	-	-	-	4,743.14	-	4,743.14

The net loss of the Company at standalone level for the year ended March 31, 2023 stands at Rs. 1,971.28 millions and for the year ended 31 March 2022 was Rs. 764.11 millions. Management assessments of stress testing included recoveries from sale of its investments, scheduled recovery from group company receivables, expected borrowing and future cash flows that will be generated from operations. Basis this expected cumulative assets maturing in the next one year are Rs. 7,470 millions and cumulative liabilities maturing in the next one year are Rs. 6680 millions. Edelweiss Financial Services Limited (the 'Ultimate Holding Company') and Edel Finance Company Limited (the 'Holding Company') have represented that they will continue to provide operating and financial support to the Company and Ultimate Holding Company and Holding company have sufficient financial resources to provide support as and when necessary.

Further, during FY 2021-22, the Holding Company had infused equity capital amounting to Rs. 2,500 millions into the Company. The Board of Directors have approved the business plan, the liquidity, asset liability management of the Company and Ultimate Holding Company has also given support letter to the Company in order to meet the shortfall in its fund requirements over borrowings and other liabilities including loans from other group companies (if any), for a period of not less than 12 months from the date of financial closure of accounts of the Company for the period ended March 31, 2023. Based on business plan, the liquidity, asset liability management of the Company and support letter from Ultimate Holding Company, the management believes that the Company will be able to operate as going concern pay its obligations as and when these become due in the next one year.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

52.2. Analysis of risk concentration

As at 31-Mar-23

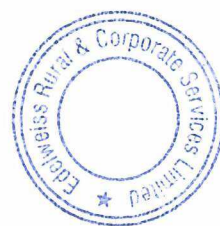
Industry analysis - Risk concentration

Components	Financial services	Others	Total
Cash and bank balances	501.61	-	501.61
Derivative financial instrument	-	-	-
Stock in trade	178.01	-	178.01
Trade receivables	352.40	-	352.40
Loans	297.66	-	297.66
Investments	19,190.09	-	19,190.09
Other financial assets	35.59	-	35.59
Total	20,555.36	-	20,555.36
Other Commitments	384.95	-	384.95

As at 31-Mar-22

Industry analysis - Risk concentration

Components	Financial services	Others	Total
Cash and bank balances	525.64	-	525.64
Derivative financial instrument	-	-	-
Stock in trade	624.98	-	624.98
Trade receivables	187.90	-	187.90
Loans	10,935.50	-	10,935.50
Investments	22,464.42	-	22,464.42
Other financial assets	36.75	-	36.75
Total	34,775.20	-	34,775.20
Other Commitments	4,743.17	-	4,743.17



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

53 Collateral held and other credit enhancements

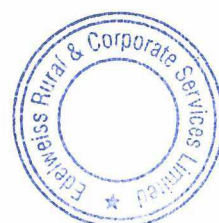
I The tables on the following pages show the maximum exposure to credit risk by class of financial asset.

Maximum exposure to credit risk (carrying amount before ECL) as at	31-Mar-23	31-Mar-22	Principal type of collateral
Financial assets			
Cash collateral on securities borrowed and reverse repurchase agreement			
Loans:			
Retail Loans	13.05	0.92	No Collateral
Wholesale loans- Credit Substitutes	583.34	2,721.73	Listed Equity shares & immovable Properties
Inter Corporate deposit	1,069.69	1,069.69	No Collateral
Group Loans	6,167.56	15,633.97	No Collateral
Distressed assets			
Trade receivables-Secured	-	-	
Trade receivables-Others	715.15	549.14	Unsecured
Debt instruments at amortised cost	-	2,126.26	No Collateral
Other Financial Assets	35.62	36.75	No Collateral
Total financial assets at amortised cost	8,584.42	22,138.46	
Financial assets at FVTPL Stock in trade- except MF	178.00	624.98	No Collateral
Total financial instruments at fair value through profit or loss	178.00	624.98	
Total Financial assets	8,762.42	22,763.44	
Financial guarantee contracts	387.00	2,620.95	No Collateral
Other commitments (max exposure)	387.00	2,620.95	
Total	9,149.42	25,384.39	

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

31-Mar-23	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	583.34	532.82	50.52	50.52
Inter Corporate deposit	1,069.69	1,069.69	0.00	-
Group Loans	5,945.54	5,934.73	10.81	-
Total financial assets at amortised cost	7,598.57	7,537.24	61.33	50.52
Loan commitments	-	-	-	-
Total	7,598.57	7,537.24	61.32	50.52

31-Mar-22	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	1,404.15	1,289.93	114.22	114.22
Inter Corporate deposit	1,069.69	1,069.69	-	-
Group Loans	-	-	-	-
Total financial assets at amortised cost	2,473.84	2,359.62	114.22	114.22
Loan commitments	-	-	-	-
Total	2,473.84	2,359.63	114.22	114.22



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

54 Market risk

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. 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.

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is not exposed to interest rate risk as it does not trade in Interest Rate Derivatives and does not have any loans having variable interest rates.

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

There is no currency exposure in F.Y. 2022-23 and F.Y. 2021-22.

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

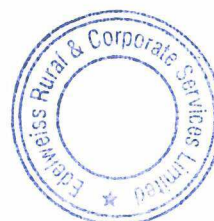
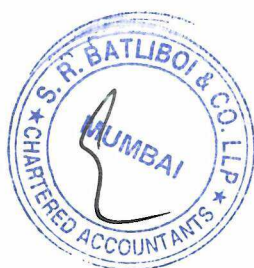
There is no Equity price risk in F.Y. 2022-23 and F.Y. 2021-22.

(iv) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

Impact on	2022-23					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt Securities	5%	8.90	8.90	5%	(8.90)	(8.90)

Impact on	2021-22					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt Securities	5%	31.25	31.25	5%	(31.25)	(31.25)



55 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.

b) Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Particulars	31-Mar-23			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Embedded derivatives in market-linked debentures issued	-	-	-	-
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Government Securities	-	-	-	-
Debt Securities	17.03	37.21	-	54.24
Nifty Linked Debentures	-	-	123.76	123.76
Stock-in-trade	17.03	37.21	123.76	178.00
Investments				
Equity instruments	-	-	0.10	0.10
Investments in Funds	-	-	-	-
Investment in Tech fund	-	-	-	-
India Credit Investment Fund II	-	-	2,524.98	2,524.98
India Credit Investment Fund I	-	-	1,055.49	1,055.49
Total investments measured at fair value	-	-	3,580.57	3,580.57
Land and Building			2,024.51	2,024.51
Total financial assets measured at fair value on a recurring basis	17.03	37.21	5,728.84	5,783.08

Particulars	31-Mar-22			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Embedded derivatives in market-linked debentures issued	-	-	-	-
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Debt Securities	620.70	-	-	620.70
Nifty linked debentures	-	-	4.28	4.28
Stock-in-trade	620.70	-	4.28	624.98
Investments				
Equity instruments	-	-	1.00	1.00
Investments in Funds	-	-	314.08	314.08
Investment in Tech fund	-	-	199.79	199.79
India Credit Investment Fund II	-	-	1,511.33	1,511.33
India Credit Investment Fund I	-	-	2,147.00	2,147.00
Total investments measured at fair value	-	-	4,173.20	4,173.20
Loans and other financial assets measured at fair value	-	-	-	-
Property Plant and equipment	-	-	-	-
Land and Building			2,205.58	2,205.58
Total financial assets measured at fair value on a recurring basis	620.70	-	6,383.06	7,003.76

55.1. Fair valuation techniques :

Debt securities

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

Equity instruments

The majority of equity instruments are actively traded on recognised stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such NAV Such instruments are generally Level 3. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 3

Units of Alternative Investment Funds and Mutual Fund.

Units held in Alternative Investment Funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified at Level 3.

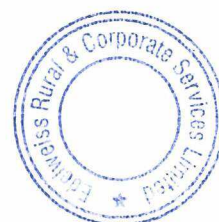
Open-ended funds that are redeemable at any time, and that report a daily net asset value (NAV) and for which sufficient subscriptions and redemptions

Derivatives

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation)

Embedded derivatives

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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

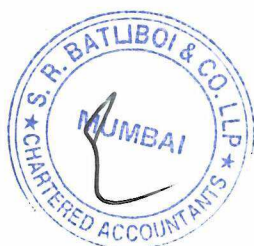
(Currency : Indian rupees in millions)

c) 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. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is different than the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2023 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

	31 March 2023				
Particulars	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	297.66	297.66	-	-	297.66
Investments at amortised cost	-	-	-	-	-
Total	297.66	297.66	-	-	297.66
Financial liabilities					
Debt securities	14,354.71	14,354.71	-	-	14,354.71
Borrowing (other than debt securities)	7,297.30	7,297.30	-	-	7,297.30
Subordinated liabilities	447.10	447.10	-	447.10	-
Total	22,099.11	22,099.11	-	447.10	21,652.01

	31 March 2022				
Particulars	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	10,935.51	10,935.51	-	-	10,935.51
Investments at amortised cost	2,120.60	2,120.60	-	-	2,120.60
Total	13,056.11	13,056.11	-	-	13,056.11
Financial liabilities					
Debt securities	17,039.51	17,039.51	-	-	17,039.51
Borrowing (other than debt securities)	15,813.03	15,813.03	-	-	15,813.03
Deposits	-	-	-	-	-
Subordinated liabilities	2,234.50	2,234.50	-	2,234.50	-
Other financial liabilities	-	-	-	-	-
Total	35,087.04	35,087.04	-	2,234.50	32,852.54



d) Movement in level 3 financial instruments measured at fair value

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.

Particulars	Financial assets				Nifty Linked Debentures	Total
	Investments in units of AIF	Investments in unquoted equity shares categorised at Level 3	Other investments classified as FVTPL	Debt Instruments classified as FVTPL		
At 1 April 2022	4,172.22	1.00	-	-	4.28	4,177.50
Purchase	2,788.27	-	-	-	5,835.68	8,623.95
Sales	3,064.09	0.90	-	-	5,962.61	9,027.60
Gains / (losses) for the period (2022-23) recognised in profit or loss	(315.92)	-	-	-	246.41	(69.51)
Gains / (losses) for the period (2022-23) recognised in other comprehensive income	-	-	-	-	-	-
At 31 March 2023	3,580.48	0.10	-	-	123.76	3,704.34
Unrealised gains / (losses) related to balances held at the end of the period	(315.92)	-	-	-	(0.33)	(316.25)

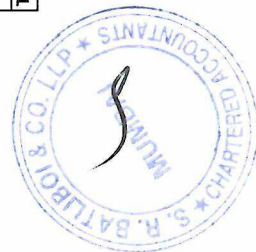
Particulars	Financial assets				Nifty Linked Debentures	Total
	Investments in units of AIF	Investments in unquoted equity shares categorised at Level 3	Other investments classified as FVTPL	Debt Instruments classified as FVTPL		
At 1 April 2021	2,299.54	112.94	-	-	237.89	2,650.37
Purchase	2,401.26	-	-	-	5,047.39	7,448.65
Sales	513.42	111.94	-	-	4,471.72	5,097.08
Gains / (losses) for the period (2021-22) recognised in profit or loss	(15.16)	-	-	-	(809.28)	(824.44)
At 31 March 2022	4,172.22	1.00	-	-	4.28	4,177.50
Unrealised gains / (losses) related to balances held at the end of the period	(15.16)	-	-	-	1.28	(13.88)



e) Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.
Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as

Type of Financial Instruments	Fair value of asset as on 31 March 2023	Valuation Techniques	Significant Unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Nifty linked debentures	123.76	Fair value using Black scholes Model or Monte Carlo approach based on the embedded derivative	Market index curve	5%	6.19	5%	(6.19)
			Risk - adjusted discounted rate	1%	1.24	1%	(1.24)
Investments in units of AIF	3,667.27	Net Assets Approach	Fair value of underlying investments	5%	183.36	5%	(183.36)
Investments in unquoted equity shares categorised at Level 3	0.10	Comparable transaction and P/E and discounted cash flow	Fair value per share	5%	0.01	5%	(0.01)
Total	3,791.13				190.80		(190.80)

Type of Financial Instruments	Fair value of asset as on 31 March 2022	Valuation Techniques	Significant Unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Nifty linked debentures	4.29	Fair value using Black scholes Model or Monte Carlo approach based on the embedded derivative	Market index curve	5%	0.21	5%	(0.21)
			Risk - adjusted discounted rate	1%	0.04	1%	(0.04)
Investments in units of AIF	4,172.21	Net Assets Approach	Fair value of underlying investments	5%	212.95	5%	(212.95)
Investments in unquoted equity shares categorised at Level 3	1.00	Comparable transaction and P/E and discounted cash flow	Fair value per share	5%	0.05	5%	(0.05)
Total	4,177.50				213.25		(213.25)



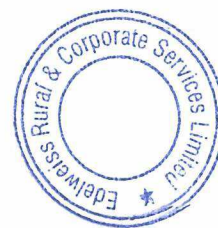
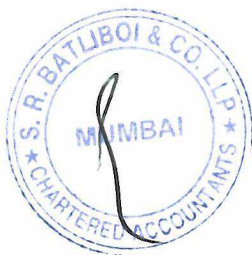
56 Derivative financial instruments

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

31 March 2023						
Particulars	Notional		Fair value of asset	Notional		Fair value of liability
	Unit	Notional amount		Unit	Notional amount	
(i) Currency derivatives						
-Currency Futures	Number of currency units	Nil	-	Number of currency units	Nil	-
Less: Amount offset (refer note 59 - offsetting disclosure)	Number of currency units	-	-	Number of currency units	-	-
Total Derivative Financial Instruments			-			-

31 March 2022						
Particulars	Notional		Fair value of asset	Notional		Fair value of liability
	Unit	Notional amount		Unit	Notional amount	
(i) Currency derivatives						
-Currency Futures	Number of currency units	Nil	-	Number of currency units	Nil	-
Less: Amount offset (refer note 59 - offsetting disclosure)	Number of currency units	-	-	Number of currency units	-	-
Total Derivative Financial Instruments			-			-

* Notional amount represents quantity of the Derivatives contracts and are reported in millions



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency: Indian rupees in millions)

57 Investments

As at 31 March 2023

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
(i) Debt securities	-	-	-	-	-	-	-
(ii) Equity instruments	-	-	0.10	-	0.10	-	0.10
(iii) Subsidiaries	-	-	-	-	-	-	-
a) Equity	-	-	-	-	-	3,935.31	3,935.31
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	858.92	858.92
(iv) Associates	-	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(v) Others - Investment in Partnership Firm- Group	-	-	-	-	-	3.16	3.16
(vi) Others - Investment in Funds	-	-	3,667.28	-	3,667.28	-	3,667.28
(vii) Investment in compulsory convertible instruments and put options	-	-	-	-	-	12,351.01	12,351.01
TOTAL - Gross (A)	-	-	3,667.38	-	3,667.38	17,148.40	20,815.78
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	3,667.38	-	3,667.38	17,148.40	20,815.78
Total (B)	-	-	3,667.38	-	3,667.38	17,148.40	20,815.78
Less: Allowance for impairment (C)	-	-	86.81	-	86.81	1,538.96	1,625.77
Total Net (A-C)	-	-	3,580.57	-	3,580.57	15,609.44	19,190.01

As at 31 March 2022

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
(i) Debt securities	2,126.26	-	-	-	-	-	2,126.26
(ii) Equity instruments	-	-	1.00	-	1.00	-	1.00
(iii) Subsidiaries	-	-	-	-	-	-	-
a) Equity	-	-	-	-	-	3,889.14	3,889.14
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	839.75	839.75
(iv) Associates	-	-	-	-	-	-	-
a) Equity	-	-	-	-	-	110.35	110.35
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(v) Others - Investment in Partnership Firm - Group	-	-	-	-	-	3.65	3.65
(vi) Others - Investment in Funds	-	-	4,260.01	-	4,260.01	-	4,260.01
(vii) Investment in compulsory convertible instruments and put options	-	-	-	-	-	12,350.84	12,350.84
TOTAL - Gross (A)	2,126.26	-	4,260.01	-	4,260.01	17,193.73	23,580.00
(i) Investment outside India	-	-	-	-	-	-	-
(ii) Investment in India	2,126.26	-	4,260.01	-	4,260.01	17,193.73	23,580.00
Total (B)	2,126.26	-	4,260.01	-	4,260.01	17,193.73	23,580.00
Less: Allowance for impairment (C)	5.67	-	86.81	-	86.81	1,023.09	1,115.57
Total Net (A-C)	2,120.59	-	4,173.20	-	4,173.20	16,170.64	22,464.43



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

58 Income tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	2022-23	2021-22
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	215.46	(74.47)
Total tax expense	215.46	(74.47)
Total current tax	-	-
Total deferred tax	215.46	(74.47)

Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 31 March 2022 are follows:

Particulars	2022-23	2021-22
Profit / (Loss) before tax	(1,753.08)	(820.48)
Tax rate	34.94%	34.94%
Income tax expense calculated based on above tax rate	(612.60)	(286.71)
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	215.46	(74.47)
Effect of non-recognition of deferred tax asset on current-period losses	612.60	286.71
Others	-	-
Tax expense recognised in profit or loss	215.46	(74.47)

The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance) , inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying Income tax at reduced rates. The Company is continuing status quo and in due course will evaluate whether to transit to available option under the Ordinance.



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

59.A Components of deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the income tax expense:

31-Mar-23	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:							
Property, Plant and Equipment - revaluation	(501.77)	(6.96)				(6.96)	(508.73)
Stock-in-trade & Investments	(14.08)	12.64				12.64	(1.44)
Employee benefits obligations	2.27	(1.43)	1.46			0.03	2.30
Loans Given	971.96	(285.22)				(285.22)	686.74
Borrowings	(113.94)	66.09				66.09	(47.85)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)							
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	203.41	-				-	203.41
Capitalised borrowing costs on building	581.92	-				-	581.92
Other	(29.30)	1.01				1.01	(28.29)
	0.69	(1.59)			0.09	(1.50)	(0.81)
Total	1,101.16	(215.46)	1.46	-	0.09	(213.91)	887.25

31-Mar-22	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:							
Property, Plant and Equipment - revaluation	(566.64)	64.87	-			64.87	(501.77)
Stock-in-trade & Investments	(100.06)	85.98	-			85.98	(14.08)
Employee benefits obligations	20.78	(28.23)	9.72			(18.51)	2.27
Loans Given	976.17	(4.21)	-			(4.21)	971.96
Borrowings							
Unused tax losses (including but not limited to business losses, unabsorbed)	(154.44)	40.50	-			40.50	(113.94)
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	203.41	-	-			-	203.41
Reversal of fee income	581.92	-	-			-	581.92
Capitalised borrowing costs on building	86.80	(86.80)	-			(86.80)	-
Other	(30.87)	1.57	-			1.57	(29.30)
	(0.10)	0.79	-			0.79	0.69
Total	1,016.97	74.47	9.72	-	-	84.19	1,101.16



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

59.8 Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

March 31, 2023

Financial Year to which the loss relates to	Deductible temporary differences		Unused tax losses							Unused tax credits	
			Unabsorbed depreciation		Unabsorbed long-term capital losses		Unabsorbed business losses		Total	MAT Credit	
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year
FY 2022-23	856.00	Not applicable	-	-	-	-	1,560.00	FY 2030-31	1,560.00	-	-
FY 2021-22	140.55	Not applicable	153.03	Not Applicable	-	-	553.41	FY 2029-30	706.44	-	-
FY 2020-21	7,082.45	Not applicable	-	-	936.18	FY 2028-29	902.17	FY 2028-29	1,838.35	-	-

March 31, 2022

Financial Year to which the loss relates to	Deductible temporary differences		Unused tax losses							Unused tax credits	
			Unabsorbed depreciation		Unabsorbed long-term capital losses		Unabsorbed business losses		Total	MAT Credit	
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount	Amount	Expiry year - financial year
FY 2021-22	140.55	Not applicable	-	-	-	-	911.61	FY 2029-30	911.61	-	-
FY 2020-21	7,082.45	Not applicable	-	-	936.18	-	902.17	FY 2028-29	1,838.35	-	-



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

60 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 52 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 52.

Loans	31-Mar-23			31-Mar-22		
	At amortised cost	at FVTPL	Total	At amortised cost	at FVTPL	Total
Loans						
Corporate Loans	7,834.91	-	7,834.91	19,426.31	-	19,426.31
Total Gross (A)	7,834.91	-	7,834.91	19,426.31	-	19,426.31
Less: Impairment loss allowance*	7,537.25	-	7,537.25	8,490.81	-	8,490.81
Total (Net) (A)	297.66	-	297.66	10,935.50	-	10,935.50

*Included in loans and advances an amount of Rs.5,945.54 million (Previous Year: Rs.9,492.31 million) receivable as at March 31, 2023 from Edelweiss Investments Adviser Limited ("EIAL"). EIAL had invested in and had exposure to real estate sector. Over the few years, real estate sector is facing operational challenges and due to which the risk for certain counterparties has increased leading to increased provisioning in the books of EIAL under the expected credit loss models. EIAL has performed detailed assessments of its current and future business plans and on that basis has continued on the expected credit loss amounting to Rs. 5,934.73 million on loans and advances. The Board of Directors of the company have reviewed and approved business plan, impairment loss and assessment of recoverable amount as at March 31,2023.



Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

60 Credit Quality (Continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Company internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company internal grading system are explained in Note 52 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 52

Gross carrying amount of loan assets allocated to Stage 1, Stage 2, Stage 3

Loans at amortised cost

Particulars	31-Mar-23				31-Mar-22			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	236.33	-	-	236.33	15,634.89	-	-	15,634.89
Standard grade	-	-	-	-	-	1,317.58	-	1,317.58
Substandard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	7,598.57	7,598.57	-	-	2,473.84	2,473.84
Total	236.33	-	7,598.57	7,834.90	15,634.89	1,317.58	2,473.84	19,426.31

Reconciliation of changes in gross carrying amount and allowances for expected credit loss

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
Balance at 1 April 2022	15,634.89	5,934.44	1,317.58	196.74	2,473.84	2,359.63	19,426.31	8,490.81
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new and further lending/(repayments) (including write-off)	-15,398.56	-5,934.44	-1,317.58	-196.74	5,124.73	5,177.62	-11,591.40	-953.57
Balance at 31 March 2023	236.33	-	-	-	7,598.57	7,537.25	7,834.91	7,537.24

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 ²		
Balance at 1 April 2021	27,448.70	5,934.75	-	-	2,475.50	2,415.51	29,924.20	8,350.26
Transfers:	-	-	-	-	-	-	-	-
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new and further lending/(repayments) (including write-off)	(11,813.81)	(0.31)	1,317.58	196.74	(1.66)	(55.88)	(10,497.89)	140.55
Balance at 31 March 2022	15,634.89	5,934.44	1,317.58	196.74	2,473.84	2,359.63	19,426.31	8,490.81



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

61 Other Disclosures:

a) Changes in liabilities arising from financing activities

Below table shows changes in in liabilities arising from financing activities during the reporting period

Particulars	1-Apr-22	Cash flows	Finance costs during the year	31-Mar-23
Debt securities	17,039.51	(4275.33)	1,590.54	14,354.72
Borrowings other than debt securities	15,813.04	(9978.91)	1,461.90	7,296.03
Subordinated liabilities	2,234.51	(1980.01)	192.60	447.10
Total liabilities from financing activities	35,087.06	(16,234.25)	3,245.04	22,097.85

Particulars	1-Apr-21	Cash flows	Finance costs during the year	31-Mar-22
Debt securities	34,009.49	(19,411.20)	2,441.22	17,039.51
Borrowings other than debt securities	2,433.04	10,684.26	2,695.74	15,813.04
Subordinated liabilities	2,047.86	-	186.65	2,234.51
Total liabilities from financing activities	38,490.39	(8,726.94)	5,323.61	35,087.06



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

61 Other Disclosures (Continued)

b) Revenue from contract with customers

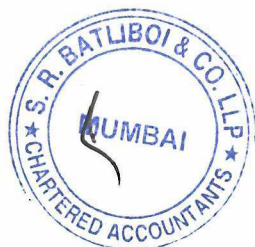
Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

For the year ended 31 March 2023

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	6.88
Service transferred over time	Enterprise cost sharing	776.46
Total revenue from contract with customers		783.34

For the year ended 31 March 2022

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and	13.32
Service transferred over time	Enterprise cost sharing	740.91
Total revenue from contract with customers		754.23



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

62 Details of Ratio:

Particular	31-Mar-23	31-Mar-22	Variance	Reason for Variance
Debt-equity Ratio (Refer note 1)	5.11	5.58	(8.38)%	Decrease in Borrowings
Debt Service Coverage Ratio (Refer note 2)	0.13	0.28	(53.42)%	Profit before interest and tax
Interest Service Coverage Ratio (Refer note 2)	0.46	0.85	(45.76)%	Profit before interest and tax
Earnings Per Share - Basic (Face Value of Rs10/- each)	(27.23)	(11.38)	(139.31)%	Increase in loss
Earnings Per Share - Dilutive(Face Value of Rs10/- each)	(27.23)	(11.38)	(139.31)%	Increase in loss
Total Debts/ Total Assets (Refer note 3)	0.82	0.84	(2.31)%	Decrease in Borrowings
Notes:				
1. Debt-equity Ratio = Total Borrowing (Non Current Borrowing + Current Borrowings) / Net worth				
2. Debt Service Coverage Ratio = Profits before interest and tax / (Interest expenses + Principal Repayment in next six months)				
Interest Service Coverage Ratio = Profits before interest and tax / Interest Expenses				
3. Total debt to Total assets = Total Borrowing (Non Current Borrowing + Current Borrowings) / Total assets.				
4. Current ratio, Long Term Debts to Working capital, Bad Debts to Accounts Receivables Ratio, Current Liability Ratio, Debtors turnover, Inventory turnover and Operating Margin (%), Net Profit Margin (%) are not applicable owing to the business model of the company.				



Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)

- 63 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 64 **Title deeds of Immovable Properties not held in name of the Company**
There is no immovable property (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), held by the company, where title deeds are not held in name of company.
- 65 **Details of Benami Property held**
The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 66 **Willful Defaulter**
The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- 67 **Registration of charges or satisfaction of charges with Registrar of Companies (ROC)**
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 68 **Relationship with Struck off Companies**
Transaction with companies struck off under section 248 of the companies Act, 2013 or Section 560 of Companies Act, 1956

For March 31, 2023			
Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the struck off Company
Anahat Organisation Development Consultancy Pvt Ltd	Professional Fees	Nil	Vendor
Shams Cable Network	Office expense	Nil	Vendor
Kamal Enterprises	MISCELLANEOUS	Nil	Vendor
M R D ENTERPRISES	Repairs & Maintenance	Nil	Vendor

For March 31, 2022			
Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the struck off Company
Reuters India Private Limited	Rent expenses	Nil	Vendor
NMCI Inspections and Survey Company Private Limited	Sale of Scrap	Nil	Client

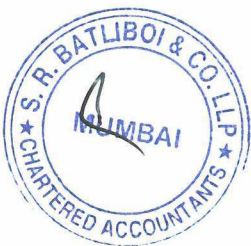
- 69 **Undisclosed Income**
The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.
- 70 **Details of Crypto Currency or Virtual Currency**
The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.
- 71 The Company has granted loans or advances in the nature of loans, without specifying period of repayment of principal to companies. However, during the year the Company has executed supplementary agreement with such companies to stipulate the schedule for repayment of principal. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (75) of section 2 of the Companies Act, 2013:

For March 31, 2023

Type of Borrower	Amount of loan or advance in the	Percentage to the total
Promoters	Nil	NA
Directors	Nil	NA
KMPs	Nil	NA
Related Parties	Nil	NA

For March 31, 2022

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	Nil	NA
Directors	Nil	NA
KMPs	Nil	NA
Related Parties	31,833.40	5.5% to 52%



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency: Indian rupees in millions)

72 A) During the current year and previous 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 current year and previous 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, Other than as disclosed in note (1) below

- (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

Note (1)

During the year, the Company has taken loans from its holding company and given loan to its subsidiaries/fellow subsidiary companies in the ordinary course of business, which are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company confirm that the below transactions are in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

FY 2022-23

Name of Lender	Nature	Date	Rs. in millions	Name of Company in which investment done by the Company	Nature	Date	Rs. in millions	Remarks
Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL)	Loan Taken	Various Dates	780.00	Edelweiss Rural & Corporate Services Limited	Purchase of NCD of Ecstasy Limited	21-Mar-23	780.00	1) ELL is associate of ERCSL
			320.10	ICIF II	Investment in AIF Units	27-Mar-23	320.10	1) ELL is associate of ERCSL and ICIF II is fellow subsidiary of ERCSL
			220.00	Edelweiss Alternative Asset Advisors Limited (EAAA)	Loan Given	28-Mar-23	220.00	1) Ecap Equities Limited is associate of ERCSL and EAAA is fellow subsidiary of ERCSL
			1,048.10	Edelweiss Investment Advisors Limited (EIAL)	Loan Given	Various Dates	1,048.10	1) ELL is associate of ERCSL and EIAL is subsidiary of ERCSL
			1,190.00	Edel Finance Company Limited (EFCL)	Loan Given	Various Dates	1,190.00	1) ELL is associate of ERCSL
ECL Finance Limited (ECLF)	Loan Taken	Various dates	590.00	Edel Finance Company Limited (EFCL)	Loan Given	Various Dates	590.00	1) ECL Finance is fellow subsidiary of ERCSL and EFCL is holding company of ERCSL. 2) ERCSL has repaid its borrowing from ECLF. EFCL has repaid its borrowing to ERCSL
			386.70	Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL)			386.70	1) ECL Finance is fellow subsidiary of ERCSL and ELL is an associate of ERCSL. 2) ERCSL has repaid its borrowing from ECLF and ELL has repaid its borrowing to ERCSL
Edel Finance Company Limited (EFCL)	Loan Taken	Various Dates	450.00	Edelcap Securities Limited (Edelcap)	Loan Given	Various Dates	450.00	1) EFCL is holding company of ERCSL and Edelcap is subsidiary of ERCSL. 2) Edelcap has repaid its borrowing from ERCSL
			200.00	Edelweiss Securities & Investments Pvt Ltd (ESIPL)			200.00	1) EFCL is holding company of ERCSL and ESIPL is fellow subsidiary of ERCSL. ESIPL has repaid its borrowing from ERCSL
Edel Investments Limited (EIL)	Loan Taken	Various Dates	750.00	Nuvama Wealth and Investment Limited (EBL)	Loan Given	Various Dates	750.00	1) EIL is fellow subsidiary of ERCSL and EBL is associate of EFSL. 2) Borrowings from EIL has been repaid by ERCSL. EBL has repaid its borrowing to ERCSL
			250.00	Edel Finance Company Limited (EFCL)			250.00	1) EIL is fellow subsidiary of ERCSL and EFCL is holding company of ERCSL. 2) ERCSL has repaid its borrowing from EIL
Edelcap Securities Limited (Edelcap)	Loan Taken	7-Apr-22	250.00	Nuvama Wealth and Investment Limited (EBL)	Loan Given	Various Dates	250.00	1) Edelcap is fellow subsidiary of ERCSL and EBL is associate of EFSL. 2) Borrowings from Edelcap has been repaid by ERCSL. EBL has repaid its borrowing



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

(Currency : Indian rupees in millions)

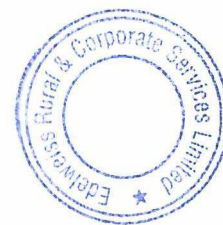
Edelweiss Financial Services Limited (EFSL)	Loan Taken	28-Dec-22	957.09	ICIF II	Investment AIF Units	28-Dec-22	957.09	1) EFSL is ultimate holding company of ERCSL and ICIF II is fellow subsidiary of ERCSL.
	Loan Taken	Various Dates	2,120.00	Edel Finance Company Limited (EFCL)	Loan Given	24-Jun-22	2,120.00	1) EFSL is ultimate holding company of ERCSL and EFCL is holding company of ERCSL. 2) EFCL has repaid its borrowing from ERCSL.
	Loan Taken	Various Dates	1,750.00	Edelweiss Retail Finance Limited (ERFL)	Loan Given	26-Dec-22	1,750.00	1) EFSL is ultimate holding company of ERCSL and ERFL is fellow subsidiary of ERCSL. ERFL has repaid its borrowing from ERCSL.
	Loan Taken	Various Dates	2,148.00	Edelweiss Investment Advisors Limited (EIAL)	Loan Given	30-Dec-22	2,148.00	1) EFSL is ultimate holding company of ERCSL and EIAL is subsidiary of ERCSL.
	Loan Taken	Various Dates	200.00	Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL)	Loan Given	Various Dates	200.00	1) EFSL is ultimate holding company of ERCSL and ELL is associate of ERCSL. ELL has repaid its borrowing to ERCSL.
Edelweiss Retail Finance Limited (ERFL)	Loan Taken	1-Jun-22	182.40	Edel Finance Company Limited (EFCL)	Loan Given	16-Jun-22	182.40	1) ERFL is fellow subsidiary of ERCSL and EFCL is holding company of ERCSL. ERCSL has repaid its borrowing from ERFL. 2) EFCL has repaid its borrowing from ERFL.
Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)(NHFL)	Loan Taken	Various Dates	4,490.00	Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL)	Loan Given	Various Dates	4,490.00	1) NHFL is subsidiary of ERCSL and ELL is associate of ERCSL. ERCSL has repaid its borrowing from NHFL. ELL has repaid its borrowing to ERCSL.
	Loan Taken	1-Jun-22	300.00	Edel Finance Company Limited (EFCL)	Loan Given	16-Jun-22	300.00	1) NHFL is subsidiary of ERCSL and EFCL is holding company of ERCSL. ERCSL has repaid its borrowing from NHFL. 2) EFCL has repaid its borrowing from NHFL.
	Loan Taken	5-Jul-22	929.00	Edelweiss Investment Advisors Limited (EIAL)	Loan Given	25-Jul-22	1,039.00	1) NHFL is subsidiary of ERCSL and EIAL is subsidiary of ERCSL. 2) ERCSL has repaid its borrowing from NHFL.

FY 2021-22

Name of Lender	Nature	Date	Rs. in millions	Name of Company in which investment done by the Company	Nature	Date	Rs. in millions	Remarks
Edelweiss Financial Services Limited (EFSL)	Loan Taken	Various dates	5,714	Edelweiss Investment Adviser Limited(EIAL)	Loan Given	Various dates	5,714	EFSL is Holding Company of ERCSL and EIAL is wholly owned subsidiary of ERCSL.
Edelweiss Financial Services Limited (EFSL)	Loan Taken	Various dates	6,585	Edel Finance Company Limited (Edel finance)	Loan Given	Various dates	6,585	1)EFSL is ultimate holding Company of ERCSL and Edel Finance is holding company of ERCSL. 2) Edel finance has repaid Rs 3,952.40 millions back to ERCSL and ERCSL has also repaid the same back to EFSL.
Edelweiss Financial Services Limited (EFSL)	Loan Taken	Various dates	8,200	ECL Finance Limited (ECL Finance)	Loan Given	Various dates	8,200	1) EFSL is ultimate holding Company of ERCSL and ECL Finance is subsidiary of EFSL and is fellow subsidiary of ERCSL. 2) ECL finance has repaid Rs. 7,420 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
Edelweiss Financial Services Limited (EFSL)	Loan Given	9-Jun-22	1,130	Edel Land Limited (ELL)	Loan Given	9-Jun-22	1,130	1)EFSL is ultimate holding Company of ERCSL and Edel Land is wholly owned subsidiary of EFSL and fellow subsidiary of ERCSL. 2) Edel Land has repaid Rs 1,130 million back to ERCSL and ERCSL has also repaid the same back to EFSL.

Note (2)

Based on the legal opinion obtained by the ultimate Holding Company (EFSL), the transactions undertaken by NBFC-CIC of borrowing/lending/investment to and from its holding/subsidiary/affiliate/group entity(ies) or borrowing from outside the Group for onward lending/investments for carrying on their respective business in ordinary course will not attract reporting under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 (the 'Rules'). Accordingly, transactions undertaken by the Company with Edel Finance Company Limited (NBFC CIC) is not disclosed under the Rules.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)
(Currency : Indian rupees in millions)


- 73 There have been no events or transactions which have occurred since the date of balance sheet or pending that would have material effect on the financial statement and requires adjusting to accounting estimates and disclosures included in financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the financial statements. No events have occurred that are of such significance in relation to the company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flow or changes in equity of the company.
- 74 The Company is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 75 The Company has already responded to authorities on show cause notice in respect of import of pulses in earlier years. There are no further updates subsequent to Company's responses. Based on the management assessments, there is no impact on the financial statements for the year ended March 31, 2023.
- 76 All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirements of Schedule II, unless otherwise stated.
- 77 Previous year's numbers have been regrouped and rearranged whenever necessary to confirm to current year presentation/classification.

As per our report of even date attached.


For S. R. Batliboi & Co. LLP
Chartered Accountants
CAI Firms Registration Number: 301003E/E300005
per Shrawan Jalan
Partner
Membership No: 102102
Mumbai
May 22, 2023

For and on behalf of the Board of Directors
Edelweiss Rural & Corporate Services Limited


Ravindra Dhobale
Executive Director & CFO
DIN No.: 05147051


Shweta Suneja
Director
DIN No.: 07297081


Chirag Shah
Company Secretary

Mumbai
May 22, 2023

