

ERCSL/Sec/2021-73

November 26, 2021

BSE Limited

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

Dear Sir/Madam,

Re.: Annual Report for F.Y. 2020-21

Please find enclosed herewith the Annual Report of the Company for the financial year ended March 31, 2021.

Kindly take the same on the record.

Thanking you,

Yours faithfully,

For Edelweiss Rural & Corporate Services Limited

Shailly Kedia
Company Secretary
Membership No.: A20240

Edelweiss Rural & Corporate Services Limited

Corporate Identity Number: U45201TG2006PLC078157

Financial Statement for the year ended March 31, 2021

BOARD'S REPORT

To the Members of Edelweiss Rural & Corporate Services Limited,

Your Directors hereby present the 15th Board's Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended March 31, 2021:

Financial Highlights

I. Consolidated Financial Performance

(Rs. in million)

Particulars	2020-21	2019-20
Total Revenue	12,603.77	24,046.99
Total Expenditure	21,009.30	29,251.38
Loss before tax for the year	(8,405.53)	(5,204.39)
Tax Expenses	392.65	(762.93)
Loss after tax for the year	(8,798.18)	(4,441.46)
Other Comprehensive income	6.74	572.77
Total Comprehensive income	(8,791.44)	(3,868.69)
Loss for the year attributable to:-		
Owners of the parent	(8,844.74)	(4,463.47)
Non-Controlling interests	46.56	22.01
Other Comprehensive income attributable to:-		
Owners of the parent	7.74	573.26
Non-Controlling interests	(1.00)	(0.49)
Total Comprehensive income attributable to:-		
Owners of the parent	(8,837.00)	(3,890.21)
Non-Controlling interests	45.56	21.52
Earnings per Equity Share (Rs.):-		
Basic	(221.20)	(148.75)
Diluted	(218.95)	(148.75)

II. Standalone Financial Performance

(Rs. in million)

Particulars	2020-21	2019-20
Total Revenue	7,188.58	16,135.34
Total Expenditure	16,088.18	20,141.98
Loss Before Tax	8,899.60	4,006.64
Tax Expenses	275.71	(1,434.02)
Loss for the year	(9,175.31)	(2,572.62)
Other comprehensive income	11.42	1,003.78
Total comprehensive income	(9,163.89)	(1,568.84)
Earnings per Equity Share (Rs.):-		
Basic	(230.67)	(64.68)
Diluted	(228.33)	(64.68)

Information on the state of affairs of the Company

The Covid-19 pandemic continued to impact the economies across the world resulting in contraction of industrial and services and the credit quality. The Company is focusing on maintaining adequate capital and ensuring liquidity at all points in time. The management believes that the Company will be able to meet its obligations as and when these become due. The Company will continue to monitor the changes in markets and future economic conditions.

Consolidated Financial Performance

During the year ended March 31, 2021, the Company earned revenue of Rs. 12,603.77 million as compared to Rs. 24,046.99 million during the previous year. Of the total revenue earned during the year, revenue from fee income stood at Rs. 1,498.74 million as compared to Rs. 2,144.72 million in the previous year, income from interest stood at Rs. 8,001.70 million as compared to Rs. 10,760.99 million in the previous year and income from sale of commodities stood at Rs. 2,218.41 million as compared to Rs. 9,692.96 million in the previous year. The loss for the year was Rs. 8,798.18 million as against loss of Rs. 4,441.46 million in the previous year.

Standalone Financial Performance

During the year ended March 31, 2021, the Company earned revenue of Rs 7,188.58 million as compared to Rs. 16,135.34 million during the previous year. Of the total revenue earned during the year, revenue from Fee income stood at Rs. 1,205.83 million as compared to Rs. 1,759.51 million in the previous year, income from interest stood at Rs. 3,866.58 million as compared to Rs. 5904.68 million in the previous year and income from sale of commodities stood at Rs. 1,717.12 million as compared to Rs. 8,998.49 million in the previous year. The loss for the year was Rs. 9,175.31 million as against loss of Rs. 2,572.62 million in the previous year.

Share Capital

During the year under review, the Company had issued and allotted 90,00,000 Compulsory Convertible Debentures of the face value of Rs. 1,000 each aggregating to Rs. 9,000 million and 13,59,955 - 0.01% Compulsory Convertible Preference Shares ("CCPS") of the face value Rs. 10 each for cash at a premium of Rs. 357.66 per CCPS.

Further, the Company had redeemed 5,00,000 - 12% Non-cumulative Non-convertible Redeemable Preference Shares of the face value Rs. 10 each at a premium of Rs. 990 per Share out of the proceeds of fresh issue of CCPS.

As of date, the paid-up share capital of the Company stands at Rs. 63,18,03,220.

Subsidiaries

With effect from March 10, 2021, the Company became a wholly owned subsidiary of Edel Finance Company Limited, a wholly owned subsidiary of Edelweiss Financial Services Limited (EFSL). The Company continues to be a wholly owned subsidiary of EFSL.

During the year under review, Edelweiss Investment Adviser Limited became a wholly owned subsidiary of the Company w.e.f. March 9, 2021.

The salient features of the financial statement of each of the subsidiaries of the Company as required under the Companies Act, 2013 is provided in the consolidated financial statements in Form AOC-1.

Loans, Investments and Guarantees

Particulars of loans given, investments made, guarantees given and securities provided are reported in the financial statements.

Related Party Transactions

All the Related Party Transactions entered by the Company are on arm's length and in the ordinary course of business. The Company has not entered into transactions with the Promoters, Directors and Key Managerial Personnel, which may have potential conflict of interest with the Company.

Particulars of contracts or arrangements with the related parties pursuant to the provisions of Section 188 of the Companies Act, 2013 (the Act) and forming part of this Report is provided in Form AOC-2 attached as **Annexure I**. All the Related Party Transactions as required under the applicable Accounting Standards are reported in the financial statements.

Directors and Key Managerial Personnel

i. Independent Directors

In accordance with the provisions of Section 149 of the Companies Act, 2013 (the Act), the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section and also in terms of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency as per the Act.

ii. Executive Directors

Ms. Ananya Suneja (DIN: 07297081) was appointed as an Additional Director w.e.f. December 1, 2020. The Board had also appointed Ms. Suneja as an Executive Director w.e.f. December 1, 2020 for a period of 3 years.

The approval of the Members for the appointment of Ms. Suneja was obtained at the Extraordinary General Meeting held on January 29, 2021.

iii. Non-executive Directors

Ms. Kalpana Maniar (DIN: 00719180) resigned as a Non- executive Director of the Company w.e.f. December 28, 2020. The Board places on record its appreciation of the services rendered by Ms. Maniar during her tenure as the Director of the Company.

Mr. Nikhil Johari (DIN: 01960539) was appointed as an Additional Director w.e.f. November 14, 2020. The Members at the Extraordinary General Meeting held on January 29, 2021, appointed Mr. Johari as a Non-executive Director of the Company.

iv. Retirement by rotation of the Director

Mr. Santosh Dadheech (DIN: 00196204) retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

v. Key Managerial Personnel

Ms. Rupa Agarwal resigned as Company Secretary of the Company w.e.f. August 17, 2021.

Number of Board Meetings held

During the year ended March 31, 2021, the Board met five times.

Remuneration Policy

The Company has formulated a Remuneration Policy pursuant to Section 178 of the Act. The Policy is provided as **Annexure II** to this Report.

Evaluation of Performance of the Board

A Board Evaluation Policy (the Policy) for evaluating the performance of the Board, its Committees, the Chairman, the Executive Directors, the Non-executive Directors and the Independent Directors has been adopted by the Company.

The Policy *inter alia* provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, review of the terms of reference of the Committees and the contribution of the Committees to the Board in discharging its functions, etc.

A separate meeting of the Independent Directors was held wherein the performance of the Non- Independent Directors, performance of the Board as a whole (including the Committees) in terms of the provisions of the Act was discussed.

Internal Financial Controls and Risk Management

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with the laws and regulations.

Risk management is an integral part of the Company's business strategy that seeks to minimise adverse impact on business objectives and capitalise on opportunities. The Board of Directors of the Company oversees the risk management framework of the Company through regular and proactive intervention by identifying risks and formulating mitigation plans.

Audit Committee

As at March 31, 2021, the Audit Committee comprises of the following Directors: -

Mr. Kunnasagaran Chinniah	- Independent Director
Dr. Vinod Juneja	- Independent Director
Mr. Nikhil Johari	- Non-executive Director.

Whistle Blower Policy / Vigil Mechanism

The Company has Whistle Blower Policy (Vigil Mechanism) to report genuine concerns/grievances. The vigil mechanism is overseen by the Audit Committee.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee) comprises of the following Directors: -

Mr. Santosh Dadheech	- Executive Director
Ms. Ananya Suneja	- Executive Director
Dr. Vinod Juneja	- Independent Director.

CSR Report

The CSR Report on the activities undertaken during the year is provided as **Annexure III** to this Report. The CSR Policy is available on the website of the Company at the link: www.ercsl.edelweissfin.com

Auditors

At the 12th Annual General Meeting (AGM) of the Company held on July 24, 2018, the Members had appointed M/s. S. R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), as the Auditors of the Company to hold the office, for a term of 5 years until the conclusion of the 17th AGM to be held in the year 2023.

The Auditors' Report on the financial statements for the year ended March 31, 2021 is unmodified and is annexed to the financial statements.

Secretarial Audit Report

M/s. SVVS & Associates, Company Secretaries LLP, were appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2021. The Report of the Secretarial Auditors is provided as **Annexure IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer.

Prevention of Sexual Harassment of Women at Workplace

The Company has a Policy on Prevention of Sexual harassment at workplace. During the year under review, one case was reported and disposed off and no case was pending as on March 31, 2021. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

A. Conservation of energy

- i) The steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- ii) The steps taken by the Company for utilising alternate sources of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- iii) The capital investment on energy conservation equipments - Nil

B. Technology absorption

- i) The efforts made towards technology absorption; The minimum technology required for the business has been absorbed: The Company extensively uses the information technology in its operations and has absorbed the technology required in this regard.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: The Company has leverage the technology to reach out to its customer in the difficult times of pandemic.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv) The expenditure incurred on Research and Development: Not Applicable

C. Foreign Exchange Earning and Outgo

During the year under review, there was no foreign exchange earnings (previous year Rs. 35.75 million) and foreign exchange outgo was Rs. 1.36 million (previous year Rs. 3,119.99 million).

Other Disclosures

- There are no significant material changes and commitments affecting the financial position of the Company that occurred between the end of financial year and the date of this Report.
- There has been no change in the nature of business of the Company.
- There was no revision in the financial statements of the Company.
- There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank/Financial Institution in respect of loan taken by the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

- No fraud has been reported by the Auditors to the Board.
- Disclosure pertaining to maintenance of cost records as specified under the Act is not applicable to the Company.
- The Company has not issued equity shares with differential voting rights as to dividend, voting or otherwise.
- The Company has not accepted any deposits covered under Chapter V of the Act.
- The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Annual Return

Pursuant to Sections 92 and 134 of the Act, the Annual Return as at March 31, 2021 in Form MGT-7, is available on the website of the Company at the link: www.ercsl.edelweissfin.com.

Disclosure under Section 197 of the Companies Act, 2013

The information as required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Annual Report.

Disclosures as required under Rule 5(1) of the aforesaid Rules are provided as Annexure V to this Report. In terms of the provisions of Section 136 of the Act, any member interested in obtaining a copy of information under Rule 5(2) of the aforesaid Rules, may write to the Company at the Registered Office of the Company.

Debentures

The Company has issued secured Non-convertible Debentures (NCDs) on private placement. The details of the Debenture Trustees for the NCDs issued by the Company are given below:

1.	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001	Tel: 022-4080 7000 Email id: itsl@idbitrustee.com Website: www.idbitrustee.com
2.	Beacon Trusteeship Limited 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai 400 051	Tel No: +91 (0)22 2655 8759 Mobile: +91(0) 9324724944 / 9372713085 E-mail: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in

Directors' Responsibility Statement

Pursuant to Section 134 of the Act, the Directors confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and the loss of the Company for the financial year ended on that date;
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) internal financial controls have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (vi) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgments

The Board acknowledges the valuable guidance and continued support extended by the Ministry of Corporate Affairs, other government authorities, Banks and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

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

Date: September 17, 2021

**Santosh Dadheech
Executive Director
DIN: 00196204**

**Ananya Suneja
Executive Director
DIN: 07297081**

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

(Rupees in million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	ECap Equities Limited	Interest on loans provided	-	1,376.58	February 12, 2020	-
2	Edelweiss Investment Adviser Limited	Interest on loans provided	-	1,023.77	February 12, 2020	-

Remuneration Policy

Objective

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

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

The objective of this Policy is to ensure that:

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

Remuneration of the Independent Directors & Non- executive Directors

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

Remuneration of the Managing Director & Executive Directors

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the

remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.

- The remuneration paid to the Managing Director/Executive Directors is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Executive Directors (other than the promoter Directors) shall be eligible for stock options.

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

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

Policy Review

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

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

Date: June 10, 2021

**Santosh Dadheech
Executive Director
DIN: 00196204**

**Ananya Suneja
Executive Director
DIN: 07297081**

Annexure III**Annual Report on Corporate Social Responsibility (CSR) activities
for the financial year 2020-21**

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

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rujan Panjwani (Ceased w.e.f. August 31, 2020)	Executive Director	1	1
2	Mr. Santosh Dadheech (Appointed w.e.f. August 12, 2020)	Executive Director	1	1
3	Ms. Ananya Suneja (Appointed w.e.f. February 12, 2020)	Executive Director	-	-
4	Ms. Kalpana Maniar (Ceased w.e.f. December 28, 2020)	Non-executive Director	2	2
5	Dr. Vinod Juneja	Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR policy of the Company is uploaded on the website of the Company at www.ercsl.edelweissfin.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

Not applicable

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

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the company as per section 135(5). - **Rs. 17,48,20,744**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 34,96,415**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **NIL**
- (c) Amount required to be set off for the financial year, if any- **NIL**
- (d) Total CSR obligation for the financial year (7a+7b-7c). - **Rs. 34,96,415**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
35,00,000	-	-	-	-	-

- (b) Details of CSR amount spent against ongoing projects for the financial year:
Nil
- (c) Details of CSR amount spent against other than ongoing projects for the financial year:
As per Annexure A to this Report
- (d) Amount spent in Administrative Overheads
NIL
- (e) Amount spent on Impact Assessment, if applicable
Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 35,00,000**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	34,96,415
(ii)	Total amount spent for the Financial Year	35,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,585
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
-	-	-	-	-	-	-	-

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

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

						Year (in Rs).	Year. (in Rs.)	
-	-	-	-	-	-	-	-	-

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

- a) Date of creation or acquisition of the capital asset(s). - **NA**
- b) Amount of CSR spent for creation or acquisition of capital asset.- **NIL**
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **NA**
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- **NIL**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not applicable

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

**Santosh Dadheech
Executive Director**

**Ananya Suneja
Executive Director
& Chairperson of
CSR Committee Meeting
DIN: 07297081**

Date: June 10, 2021

DIN: 00196204

Annexure- A

Details of CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5		6	7	8	
S. No.	Name of CSR project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of project		Amount spent for the project (Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementation agency	
				State	District			Name	CSR Regn. No.
1	Identify and nurture individuals to prepare a community of principled leaders and build an ecosystem that values principled leadership	Education	Yes	Maharashtra	Mumbai	35,00,000	No	EdelGive Foundation	CSR00000514
TOTAL						35,00,000			

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Edelweiss Rural & Corporate Services Limited
(Formerly known as Edelweiss Commodities Services Limited)
2nd Floor, MB Towers, Plot No. 5,
Road No. 2, Banjara Hills,
Hyderabad,
Telangana – 500034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Rural & Corporate Services Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011¹;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009²;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999³;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009⁴;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998⁵;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (vi) Other laws as may be applicable specifically to the company, namely: NIL

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

¹Not applicable to the Company during the Audit Period

²*ibid*

³*ibid*

⁴*ibid*

⁵*ibid*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes⁶.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (Please see Annexure B).

We further report that during the audit period, the company has not accomplished/encountered any specific events / actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.



June 10, 2021
Mumbai

CS. Suresh Viswanathan
Designated Partner
FCS : 4453
CP No : 11745
UDIN : F004453C000436665

Note: This report is to be read with the list of Applicable Laws and our letter of even date which are attached as **Annexure A** and **Annexure B** respectively and form an integral part of this report.

⁶ All resolutions were carried unanimously

ANNEXURE A

The Members,

Edelweiss Rural & Corporate Services Limited

(Formerly known as Edelweiss Commodities Services Limited)

2nd Floor, MB Towers, Plot No. 5,

Road No. 2, Banjara Hills,

Hyderabad,

Telangana – 500034

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. No audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold good for the purpose of this audit report.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance with the provisions of Corporate and other applicable laws rules, regulations the responsibility of management, our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS. SURESH VISWANATHAN, FCS • CS. VENKATESWARAN SAMBAMURTHY, FCS
CS. SUDHIR BABU, FCS • CS. PANKAJ NIGAM, FCS

ADDING VALUE, ADHERING TO VALUES

8. Audit of the compliance with Other Laws has been undertaken based on scope of audit and the applicability of such Laws as ascertained by the Company and informed to us.
9. We have relied on reports of Internal Audit, to the extent made available to us and the observations, if any, contained in such reports shall hold good for the purpose of this audit report.

June 10, 2021
Mumbai



CS. Suresh Viswanathan
Designated Partner
FCS : 4453
CP No : 11745
UDIN : F004453C000436665

ANNEXURE B

No. Laws applicable to the Company

The following laws have been taken into account to verify if that there are adequate systems and processes to monitor and ensure compliance with, in the Company, commensurate with its with the size and operations:

1. Companies Act 2013, and the rules thereunder
2. The Maternity Benefit Act, 1961
3. Payment of Wages Act, 1936
4. Minimum wages act-regional
5. The Payment of Bonus Act, 1965
6. Equal Remuneration Act, 1976
7. The Maharashtra Labour Welfare Fund Act, 1953
8. The Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
9. Employee's Provident Fund & Miscellaneous Provisions Act, 1952
10. The Payment of Gratuity Act, 1972
11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
12. Employee Compensation Act, 1923
13. Contract Labour (Regulation and Abolition) Act, 1970
14. The Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981 & Maharashtra Private Security Agencies (Regulation) Act, 2005
15. Employees' State Insurance Act, 1948
16. The Bombay Shops and Establishments Act, 1948
17. Various warehouse and Mandi Registrations

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

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

Sr. No.	Disclosure Requirement	Disclosure Details		
		Directors	Title	Ratio
1.	Ratio of the Remuneration of each Director to the median remuneration of the employees of the Company for the financial year	1. Mr. Rujan Panjwani (resigned w.e.f. August 31, 2020)	Executive Director	15.11
		2. Mr. Santosh Dadheech	Executive Director	35.33
		3. Ms. Ananya Suneja	Executive Director	24.56
		Directors/ KMP	Title	% increase in remuneration
2.	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year	Mr. Rujan Panjwani (resigned w.e.f. August 31, 2020)	Whole time director	Nil
		Mr. Santosh Dadheech	Whole time director	-33.26%
		Mr. Manoj Sharma	Chief financial officer	-13.00%
		Ms. Rupa Agarwal	Company Secretary	-18.49%
3.	Percentage increase in the median remuneration of employees in the Financial year	-4.88%		
4.	Number of permanent employees on the rolls of the Company at the end of the year	There were 378 permanent employees on the rolls of the Company as on March 31, 2021		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last	Average increase for employees other than managerial personnel who were in employment during FY 19-20 and FY 20-21 the average increase is -32.34%.		
		Average increase for managerial personnel is -42.99%.		

	financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	
6.	Affirmations that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Note:

1. The Company has been paying sitting fees of Rs. 20,000 to the Independent Directors for attending the meetings of the Board and the Committees thereof. Effective November 14, 2020, the Company has been paying the fees to Mr. Nikhil Johari for providing the professional services to the Company.
2. Ms. Ananya Suneja was appointed as an Executive Director of the Company during the financial year 2020-21, hence no remuneration was paid during the financial year 2019-20.

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

Santosh Dadhech
Executive Director
DIN: 00196204

Ananya Suneja
Executive Director
DIN: 07297081

Date: June 10, 2021

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 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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, 2021, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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.

Emphasis of Matter

We draw attention to note 62 to the standalone financial statements, which describes the uncertainty caused by continuing impact of Novel Coronavirus (COVID-19) pandemic with respect to the Company's estimates of impairment of loans and investments, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. 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
<p><u>Impairment of financial instruments (expected credit losses)</u> (as described in Note 54 (c) of the standalone financial statements)</p>	
<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>Impact of COVID-19</p> <p>Considering the evolving nature of the COVID-19 pandemic, which has continued to impact the Company's business operations, resulting in higher loan losses, the Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by the pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate requires to takes into account reasonable and supportable information.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.</p>	<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 (including COVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Assessed disclosures included in the financial statements in respect of expected credit losses including the specific disclosures made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.
<p><u>(a) Information technology (IT) systems and controls</u></p>	
<p>The reliability and security of IT systems play a key role in the business operations, financial accounting and reporting process</p>	<p>We performed the following procedures for testing IT general controls and for assessing the reliability of</p>

Key audit matters	How our audit addressed the key audit matter
<p>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>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. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
<p>3. Third party stock held by the Company (as described in Note 42 (b) of the standalone financial statements)</p>	
<p>The Company, as a part of its agriculture commodity business, deals with third party stock. The stock is stored at the Company's warehouses for which the Company is entitled to a fee income.</p> <p>The Company is responsible for safe keeping of third party stock at its warehouse.</p> <p>Considering the significant risk involved on account of damage or loss of third party stock and resultant impact on the Company's financial statements in the form of liability to reimburse the losses, this area has been identified as key audit matter.</p>	<ul style="list-style-type: none"> • Obtained and read approved standard operating procedures manual of the Company for physical verification of third party stock • Tested controls around inward and outward movement of third party stock • Obtained on sample basis physical verification reports performed by the internal audit team of management and reconciled the closing third party stock with the stock register as at that date • Performed physical verification on sample basis of a third party stock and reconciled with the stock register as at that date • Evidenced on a sample basis, physical verification of third party stock using management appointed external consultants through use of technology i.e. video call facility and reconciled the closing third party stock with the stock register as at that date • Obtained necessary information and explanation in respect of instances where discrepancies were noted on physical verification of third party stock as compared to stock register as at that date

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.

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, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to 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, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 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;

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 21102102AAAAKV2879

Place of Signature: Mumbai

Date: June 10, 2021

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us and audit procedures performed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and audit procedures performed, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As informed, the provisions of sales tax, wealth tax, value added tax and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions of sales tax, wealth tax, value added tax and duty of excise are currently not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, duty of custom, value added tax and cess 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	A.Y. 2018-19	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	25.69	A.Y. 2018-19	The Commissioner of Income Tax (Appeals)
Rajasthan Value Added Tax	Value Added Tax	26.63 (demand paid under protest 13.50)	F.Y 2010-11	Tax Board

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where the dispute is pending
Madhya Pradesh Value Added Tax	Value Added Tax	2.74 (demand paid under protest 0.59)	F.Y 2012-13	Assistant Commissioner
Uttar Pradesh Value Added Tax	Value Added Tax	55.16 (demand paid under protest 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. nil)	F.Y 2016-17	Joint Commissioner (Appeals)

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- (ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management and audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

(xvi) According to the information and explanations given to us and audit procedures performed, the Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 21102102AAAAKV2879

Place of Signature: Mumbai

Date: June 10, 2021

ANNEXURE 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, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the 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 statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 21102102AAAAKV2879
Place of Signature: Mumbai
Date: June 10, 2021

Edelweiss Rural & Corporate Services Limited

Balance Sheet

(Currency: Indian rupees in millions)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	2,388.26	2,801.76
(b) Capital work in progress		-	105.37
(c) Investment property	2	2,012.40	2,111.08
(d) Other Intangible assets	2	13.18	95.03
(e) Intangible assets under development		2.06	-
(f) Financial Assets			
(i) Investments	3	13,072.81	13,124.21
(ii) Loans	4	10,279.89	12,738.32
(iii) Other financial assets	5	1.74	2.17
(g) Deferred tax assets (net)	6	1,016.97	1,323.10
(h) Income tax assets (net)	7	832.77	983.73
(i) Other non-current assets	8	19.45	26.95
		29,639.53	33,311.72
Current assets			
(a) Inventories	9	-	436.09
(b) Financial Assets			
(i) Stock-in-trade	10	1,693.93	813.57
(ii) Investments	11	6.76	4.40
(iii) Trade & Other receivables	12	216.81	786.91
(iv) Cash and cash equivalents	13	323.60	4,167.22
(v) Bank balances other than cash and cash equivalents	14	114.91	117.08
(vi) Loans	15	11,294.05	9,567.85
(vii) Other financial assets	16	335.20	401.81
(c) Current tax assets (net)	17	744.47	669.23
(d) Other current assets	18	369.99	413.46
		15,099.72	17,377.62
TOTAL ASSETS		44,739.25	50,689.34
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Equity share capital	19	397.75	397.75
(b) Instruments entirely equity in nature		9,500.00	-
(c) Other equity	20	(5,360.03)	3,803.86
Total Equity		4,537.72	4,201.61
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	14,781.37	32,903.76
(ii) Other financial liabilities	22	825.98	1,056.26
(b) Provisions	23	3.85	10.80
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	23,709.02	11,679.51
(ii) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		0.23	7.07
Total outstanding dues to creditors other than micro enterprises and small enterprises		446.52	442.08
(iii) Other financial liabilities	26	384.18	71.91
(b) Other current liabilities	27	41.26	269.52
(c) Provisions	28	9.12	46.82
TOTAL EQUITY AND LIABILITIES		44,739.25	50,689.34

Significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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

per Shrawan Jalan

Partner

Membership No: 102102

Ananya Suneja

Director

DIN No.:07297081

Santosh Dadheech

Executive Director

DIN : 00196204

Manoj Sharma

Chief Financial officer

Rupa Agarwal

Company Secretary

Mumbai

June 10, 2021

Mumbai

June 10, 2021

Edelweiss Rural & Corporate Services Limited

Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Fee income	29	1,205.83	1,759.51
Gain/(loss) from treasury	30	(472.79)	(1,961.00)
Interest income	31	3,866.58	5,904.68
Sale of commodities		1,717.12	8,998.49
Other operating revenue	32	780.42	1,423.67
Other income	33	91.42	9.99
Total Revenue		7,188.58	16,135.34
Expenses			
Purchases of commodities		1,292.75	7,643.32
Changes in inventories of commodities		436.09	1,255.23
Impairment on financial instruments	34	7,019.28	2,868.34
Employee benefits expense	35	1,136.75	1,181.55
Finance costs	36	4,734.86	5,256.03
Depreciation and amortisation	2	420.41	379.04
Other expenses	37	1,048.04	1,558.47
Total expenses		16,088.18	20,141.98
Loss before tax		(8,899.60)	(4,006.64)
Tax expenses			
(1) Current tax		(24.15)	(44.13)
(2) Deferred tax (net)		299.86	(1,389.89)
Loss after tax for the year		(9,175.31)	(2,572.62)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans		17.55	(3.80)
Deferred Tax Benefit on above		(6.13)	1.33
Fair value gain on revaluation of Property, Plant and Equipment (refer note in schedule 2)		-	1,546.74
Income Tax effect on above		-	(540.49)
Total Other Comprehensive Income		11.42	1,003.78
Total Comprehensive Income		(9,163.89)	(1,568.84)
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic	45	(230.67)	(64.68)
(2) Diluted		(228.33)	(64.68)

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

For and on behalf of the Board of Directors

Edelweiss Rural & Corporate Services Limited

per Shrawan Jalan

Partner

Membership No: 102102

Ananya Suneja

Director

DIN No:07297081

Santosh Dadheech

Executive Director

DIN : 00196204

Manoj Sharma

Chief Financial Officer

Rupa Agarwal

Company Secretary

Mumbai

June 10, 2021

Mumbai

June 10, 2021

Edelweiss Rural & Corporate Services Limited

(Currency : Indian rupees in millions)

Statement of changes in Equity

Equity share capital

Balance at the end of the reporting period (31 March 2019)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2020)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2021)
397.75	-	397.75	-	397.75

Other Equity

	Reserves and Surplus						Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	Debenture redemption reserve	Retained earnings	Revaluation Reserve	
Balance at 31 March 2019	402.85	30.00	2,644.51	62.41	2,356.22	(41.73)	-	5,454.26
Transition impact of Ind AS 116 (net of tax)						(15.57)		(15.57)
Profit or loss	-	-	-	-	-	(2,572.62)		(2,572.62)
Other comprehensive income	-	-	-	-	-	(2.47)		(2.47)
Total Comprehensive Income for the year	-	-	-	-	-	(2,575.09)	-	(2,575.09)
Transactions with shareholders in their capacity as such - on issuance of preference shares						(65.99)		(65.99)
Revaluation of property, plant & equipment	-	-	-	-	-	-	1,006.25	1,006.25
Balance at 31 March 2020	402.85	30.00	2,644.51	62.41	2,356.22	(2,698.38)	1,006.25	3,803.86
Profit or (loss)						(9,175.31)		(9,175.31)
Other comprehensive income						56.83	(45.41)	11.42
Total Comprehensive Income for the year	-	-	-	-	-	(9,118.48)	(45.41)	(9,163.89)
Transactions with shareholders in their capacity as such - on issuance of preference shares						-		-
Revaluation of property, plant & equipment						-	-	-
Balance at 31 March 2021	402.85	30.00	2,644.51	62.41	2,356.22	(11,816.86)	960.84	(5,360.03)

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

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

per Shrawan Jalan
Partner
Membership No: 102102

Ananya Suneja
Executive Director
DIN.:07297081

Santosh Dadhech
Executive Director
DIN.:00196204

Manoj Sharma
Chief Financial Officer

Rupa Agarwal
Company Secretary

Mumbai
June 10, 2021

Mumbai
June 10, 2021

Edelweiss Rural & Corporate Services Limited

(Currency : Indian rupees in millions)

Statement of changes in Equity

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 issue 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 of the company's employees 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.

Deemed contribution / distribution

For transactions with group companies, where the transaction price is different than the fair value of the concerned financial instrument on the transaction date, the difference is treated as deemed contribution from the group or deemed distribution to the group (as the case may be) and recognized in retained earnings.

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

Cash Flow Statement

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities		
Loss before tax	(8,899.60)	(4,006.64)
Adjustments for		
Impairment on financial instruments (net)	7,019.28	2,868.34
Depreciation and amortisation expense	420.41	379.04
Profit on sale of fixed assets (net)	138.01	(5.33)
Provision for employee benefits	6.91	(6.75)
Profit on sale of current and non-current investments	-	(11.37)
Dividend on Stock in trade	(4.83)	-
Interest income on Investment in Preference Shares	(118.66)	(0.33)
Fair valuation loss / (gains) of non-current investments	1.14	490.58
Share of (profit) / loss from partnership firm	(4.96)	(2.39)
Finance costs	4,508.46	5,174.27
Operating cash flow before working capital changes	3,066.16	4,879.43
<u>Changes in working capital</u>		
Decrease in trade receivables	552.59	2,324.83
(Increase) /decrease in stock in trade and inventories	(444.26)	8,519.67
Increase in loans and advances	(4,779.00)	(85.40)
Decrease in other assets	118.33	182.78
Decrease in trade payables	(2.37)	(1,406.70)
(Decrease) / increase in liabilities and provisions	(1.21)	146.31
Cash (used in) /generated from operations	(1,489.76)	14,560.92
Taxes refund / (paid) (net)	98.66	(447.45)
Net cash (used in) /generated from operating activities - A	(1,391.10)	14,113.46
B Cash flow from investing activities		
Purchase of property, plant and equipment	(339.02)	(339.02)
Proceeds from sale of property, plant and equipment	286.51	12.53
Net addition to capital work in progress	105.37	(64.07)
Purchase of current and non-current investments	882.83	(4,164.56)
Sale of current and non-current investments	(2,199.69)	1,482.81
Dividend received	4.83	-
Net cash used in investing activities - B	(1,259.17)	(3,072.31)
C Cash flow from financing activities		
Repayment of loans (net) (Refer note 1)	(10,205.60)	(6,260.70)
Proceeds from issuance of subordinated liabilities	-	500.00
Repayment of subordinated liabilities	(465.57)	(113.94)
Proceeds from issue of CCD & CCPS	9,500.00	-
Proceeds from issuance of commercial paper	14,410.00	117,250.00
Redemption of commercial paper	(9,290.00)	(118,250.00)
Dividend and dividend distribution tax paid	(34.43)	(4.47)
Principal repayment of leases (Ind AS 116)	(58.95)	(60.37)
Interest paid	(5,048.97)	(5,327.80)
Net cash used in financing activities - C	(1,193.52)	(12,267.28)
Net Decrease in cash and cash equivalents (A+B+C)	(3,843.79)	(1,226.13)
Cash and cash equivalents as at the beginning of the year	4,167.22	5,393.35
Cash and cash equivalents as at the end of the year	323.60	4,167.22

Note:

- Bank receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
- The 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.

Edelweiss Rural & Corporate Services Limited

Cash Flow Statement (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
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Note:

- 3 Component of cash and cash equivalents

Balances with banks

in current accounts	320.83	4,036.42
in fixed deposits with original maturity less than 3 months	2.77	130.63
Cash on hand	-	0.17
	<u>323.60</u>	<u>4,167.22</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

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

per Shrawan Jalan

Partner

Membership No: 102102

Ananya Suneja

Director

DIN No.:07297081

Santosh Dadheech

Executive Director

DIN.:00196204

Manoj Sharma

Chief Financial Officer

Mumbai

June 10, 2021

Rupa Agarwal

Company Secretary

Mumbai

June 10, 2021

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements

1. Significant accounting policies

1.1 Background

Edelweiss Rural & Corporate Services Limited ('the Company') (formerly known as Edelweiss Commodities Services Limited) was incorporated on October 17, 2006 in the State of Maharashtra as a private Company. The Company is a subsidiary of Edelweiss Financial Services Limited. With effect from January 13, 2011, the status of the Company was changed from Private Limited Company to a Public Limited Company and the Registered Office of the Company was shifted from the state of Maharashtra to the state of Telangana.

Company deals in trading of commodities, debt securities, equities and derivatives as part of its treasury activities. The Company has obtained registration under the Real Estate Regulatory Act, 2016 (RERA) to act as a real estate agent in the State of Maharashtra as on June 9, 2017 and in Uttar Pradesh.

In February 2019, pursuant to order of honourable ROC Hyderabad, 5 subsidiaries of the Company were merged into the Company. As a result of which business of value added agri services (including warehousing services), collateral management and business support services to company companies were added to the current business stream of the Company.

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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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
- Brokerage income on commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, goods and service tax (“GST”), transaction charges and stock exchange expenses.
- 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.
- Sales during the course of import by transfer of documents of title i.e. high seas sale of commodities are booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the customs frontiers of India.
- 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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

- 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 reach the Company.

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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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
- 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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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 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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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
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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

Change in accounting policy for land and buildings from 31 March 2020

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.

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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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 Stock in Transit

Stock in transit in the form of commodities are stated at cost.

1.14 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.

1.15 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.

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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

1.16 Operating leases

Accounting policy applicable from 1 April 2019

As described in Note 47, the Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

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.

1.17 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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

1.18 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.

1.19 Business Combination

The acquisition method of accounting is used for business combinations by the Company. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Common controlled business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

1.20 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 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.

Business model assessment

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

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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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).

1.21 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 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

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

- 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.

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.

1.22 Standards issued but not yet effective

There are no new standard or amendment issued but not effective

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment						Net Block
	As at 1 April 2020	Additions / adju stments during the year	Deductions / adju stments during the year	As at 31 Mar 2021	As at 1 April 2020	Transition impact of Ind AS 116	Charge for the year	Deductions / adju stments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 Mar 2021	As at 31 Mar 2021
Property, Plant and Equipment											
Land	163.02	-	-	163.02	-	-	-	-	-	-	163.02
ROU -leasehold premises	271.92	2.91	147.81	127.02	73.34	-	45.43	0.12	-	118.65	8.37
Building *	2,209.30	-	-	2,209.30	-	-	122.62	-	-	122.62	2,086.68
Leasehold Premises	32.57	0.14	32.57	0.14	15.00	-	2.65	17.65	-	-	0.14
Plant and Equipment	6.58	0.01	2.49	4.10	3.13	-	0.62	1.78	-	1.97	2.13
Furniture and Fixtures	92.11	0.30	12.94	79.47	32.40	-	15.09	8.88	-	38.61	40.86
Vehicles	7.76	-	1.22	6.54	3.37	-	1.96	0.85	-	4.48	2.06
Office equipment	115.22	2.00	29.02	88.20	67.34	-	20.74	25.05	-	63.03	25.17
Computers	202.89	1.09	67.21	136.77	139.44	-	25.98	60.30	-	105.12	31.65
Plant and Machinery-Solar power	62.05	-	-	62.05	27.64	-	6.23	-	-	33.87	28.18
Total	3,163.42	6.45	293.26	2,876.61	361.66	-	241.32	114.63	-	488.35	2,388.26

Investment property *

Description of Assets	Gross Block				Accumulated Depreciation and Impairment						Net Block
	As at 1 April 2020	Additions / adju stments during the year	Deductions / adju stments during the year	As at 31 Mar 2020	As at 1 April 2020	Transition impact of Ind AS 116	Charge for the year	Deductions / adju stments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 Mar 2021	As at 31 Mar 2021
Land	137.43	-	-	137.43	-	-	-	-	-	-	137.43
Flat and Building	2,249.18	-	-	2,249.18	275.53	-	98.68	-	-	374.21	1,874.97
Total	2,386.61	-	-	2,386.61	275.53	-	98.68	-	-	374.21	2,012.40

Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment						Net Block
	As at 1 April 2020	Additions / adju stments during the year	Deductions / adju stments during the year	As at 31 Mar 2021	As at 1 April 2020	Transition impact of Ind AS 116	Charge for the year	Deductions / adju stments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 Mar 2021	As at 31 Mar 2021
Goodwill	18.68	-	-	18.68	18.68	-	-	-	-	18.68	-
Other Intangible Assets Software	265.80	114.44	289.73	90.51	170.77	-	80.41	173.85	-	77.33	13.18
Total	284.48	114.44	289.73	109.19	189.45	-	80.41	173.85	-	96.01	13.18

*These assets are pledged for issuance of Non-convertible debentures (refer Note 21 and Note 24).

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

2 Property, Plant and Equipment

Description of Assets	Gross Block					Accumulated Depreciation and Impairment						Net Block	
	As at 1 April 2019	Transition impact of Ind AS 116	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2020	As at 1 April 2019	Transition impact of Ind AS 116	Charge for the year	Deductions / adjustments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 March 2020	Revaluation adjustment if any	As at 31 March 2020
Property, Plant and Equipment													
Land *	-	-	56.73	-	56.73	-	-	-	-	-	-	106.29	163.02
ROU -leasehold premises	-	139.53	132.39	-	271.92	-	-	73.34	-	-	73.34	-	198.58
Building *	-	-	885.42	-	885.42	-	-	-	116.57	116.57	-	1,323.88	2,209.30
Leasehold Premises	19.78	-	17.55	4.76	32.57	13.21	-	6.32	4.53	-	15.00	-	17.57
Plant and Equipment	6.51	-	0.25	0.18	6.58	1.99	-	1.27	0.13	-	3.13	-	3.45
Furniture and Fixtures	56.00	-	41.58	5.47	92.11	22.43	-	14.64	4.67	-	32.40	-	59.71
Vehicles	11.02	-	2.19	5.45	7.76	3.40	-	2.65	2.68	-	3.37	-	4.39
Office equipment	81.73	-	37.74	4.25	115.22	43.71	-	27.65	4.02	-	67.34	-	47.88
Computers	193.97	-	19.07	10.15	202.89	102.31	-	45.63	8.50	-	139.44	-	63.45
Plant and Machinery-Solar power	62.05	-	-	-	62.05	20.57	-	7.07	-	-	27.64	-	34.41
Total	431.06	139.53	1,192.92	30.26	1,733.25	207.62	-	178.57	141.10	116.57	361.66	1,430.17	2,801.76

Investment property**

Description of Assets	Gross Block					Accumulated Depreciation and Impairment						Net Block	
	As at 1 April 2019	Transition impact of Ind AS 116	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2020	As at 1 April 2019	Transition impact of Ind AS 116	Charge for the year	Deductions / adjustments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 March 2020	Revaluation adjustment if any	As at 31 March 2020
Land	194.16	-	-	56.73	137.43	-	-	-	-	-	-	-	137.43
Flat and Building	2,954.33	-	180.27	885.42	2,249.18	253.98	-	138.12	116.57	-	275.53	-	1,973.65
Total	3,148.49	-	180.27	942.15	2,386.61	253.98	-	138.12	116.57	-	275.53	-	2,111.08

Other Intangible Assets

Description of Assets	Gross Block					Accumulated Amortisation and Impairment						Net Block	
	As at 1 April 2019	Transition impact of Ind AS 116	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2020	As at 1 April 2019	Transition impact of Ind AS 116	Charge for the year	Deductions / adjustments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 March 2020	Revaluation adjustment if any	As at 31 March 2020
Goodwill	18.68	-	-	-	18.68	18.68	-	-	-	-	18.68	-	-
Other Intangible Assets Software	241.43	-	40.37	16.00	265.80	124.42	-	62.35	16.00	-	170.77	-	95.03
Total	260.11	-	40.37	16.00	284.48	143.10	-	62.35	16.00	-	189.45	-	95.03

*The Company decided to move to revaluation model from cost model for accounting a class of asset (i.e. Flats and building) as at 31 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. These valuations were determined basis open market values of similar property and its intrinsic value. The Management approved this valuation at Rs.2,372.32 millions. Had it continued to account on historical cost less depreciation basis, the carrying value of land and buildings would have been Rs.825.70 millions and deferred tax liability on it of Rs.540.49 million through Other Comprehensive Income. The amount Rs. 1,006.25 million shown in column "Revaluation adjustment if any" is net of accumulated depreciation amounting to Rs.116.57 million.

** Fair value of the Land and building under Investment property is Rs 5,535.40. millions. These assets are pledged for issuance of Non-convertible debentures (refer Note 21 and Note 24).

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2021		As at 31 March 2020	
	Quantity	Amount	Quantity	Amount
3 Non-current investments				
Unquoted Investments				
Investments in equity instruments of subsidiaries (fully paid up)				
Edelweiss Housing Finance Limited	38,300,000	2,829.00	38,300,000	2,829.00
EC Commodity Ltd	29,999,994	501.43	29,999,994	501.43
Edelweiss Comtrade Limited	28,999,994	38.86	28,999,994	38.86
Edelweiss Investment Adviser Limited	100,549,994	1,000.10	100,000,000	1,000.00
Allium Finance Private Limited	800,000	21.18	800,000	21.18
Investments in equity instruments of other group companies (fully paid up)				
ECL Finance Limited	-	-	294,472,650	3,862.84
Edelweiss Asset Reconstruction Company Limited ***	20,964,082	446.43	20,964,082	446.43
Lichen Metals Private Limited	-	-	39,920	2.69
Investments in equity instruments of other companies (fully paid up)				
Inditrade Business Consultants Limited	10,000	0.10	10,000	0.10
Mantri Metalics Private Limited	-	-	487,156	34.44
Agri Warehousing Service Providers (India) Association	90,000	0.90	90,000.00	0.90
Investments in preference shares of other group companies (fully paid up)				
Non-cumulative Non-convertible Redeemable				
12% Ecap Equities Limited	-	-	1,000,000	881.34
Investments in preference shares of subsidiary company (fully paid up)				
Non cumulative Compulsorily convertible redeemable				
Allium Finance Private Limited	2,986,994	627.27	2,986,994	627.27
Investment in share warrants				
Team Geo Resources Private Limited	15,000,000	154.47	15,000,000	152.65
Compulsorily convertible Debentures				
0.01 % -ECAP Equities Limited **	4,000,000	4,000.01	-	-
0.01 % -Edel Land **	600,000	600.00	-	-
Investments in debentures (fully paid up)				
10.25% ECL Finance Limited Perpetual Bonds	1,950.00	2,126.26	1,950.00	2,129.67
Investment in others				
Edelweiss Private Equity Tech Fund	853.43	199.35	853	205.09
Edelweiss Value and Growth Fund	3,592.37	598.01	3,575	595.98
India Credit Investment Fund II	158,896.56	1,588.97	-	-
Less : Impairment Allowance*		(1,659.53)		(205.66)
		13,072.81		13,124.21

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

** 0.01%, 4,000,000 of CCD have been allotted & transferred in the Company's Depository statement subsequent to the balance sheet date

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

Note: Disclosures as required by IND AS 107 have been separately provided in Note 55 and 58

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
4 Loans- Non Current		
<i>Secured*</i>		
Receivables from financing business	111.30	683.98
Provision for expected credit loss on loans	(111.30)	(428.11)
	<u>-</u>	<u>255.87</u>
Loans and advances to related parties	16,009.89	14,082.45
Provision for expected credit loss on loans**	(5,730.00)	(1,600.00)
	<u>10,279.89</u>	<u>12,482.45</u>
	<u>10,279.89</u>	<u>12,738.32</u>
<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>		
5 Other financial assets		
Security Deposits	0.33	-
Deposits placed with/ for exchange/ depositories	1.41	2.17
	<u>1.74</u>	<u>2.17</u>

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
6 Deferred tax assets (net)		
Deferred tax assets		
<u>Loans</u>		
Impairment on Loans	976.17	1,136.07
Leases - Ind AS 116	8.04	12.90
<u>Investments and other financial instruments</u>		
Provision for Diminution in value of current investments	1.98	71.87
<u>Unused tax credit</u>		
MAT credit entitlement	581.92	485.09
<u>Unused tax losses</u>		
Accumulated Losses	203.41	411.21
Gratuity & other Employee Benefits	20.79	24.50
Others	87.03	88.52
Deferred tax assets (A)	1,879.34	2,230.16
Deferred tax liabilities		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	574.55	77.46
<u>Investments and other financial instruments</u>		
Unrealised Gain On Derivatives	-	10.18
Fair valuation gain of investments and stock in trade	102.04	119.69
Accumulated losses		
Fair value of Property plant & Equipment	-	540.49
<u>Borrowings</u>		
Effective interest rate on borrowings	154.45	124.52
Others	31.33	34.72
Deferred tax liabilities (B)	862.37	907.06
Deferred tax assets (net) (A-B)	1,016.97	1,323.10

Note: Refer note 59 for disclosures on Deferred Tax.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
7 Income tax assets (net)		
Advance income taxes	832.77	983.73
<i>(net of provision for income tax of Rs.2,073.33 millions (Previous year: Rs. 1,828.96 millions))</i>		
	<u>832.77</u>	<u>983.73</u>
8 Other non-current assets		
Other deposits	19.45	26.95
	<u>19.45</u>	<u>26.95</u>
9 Inventories		
Stock in trade commodities*	-	436.09
	<u>-</u>	<u>436.09</u>

* refer note 21 and 24 for charges on inventory

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

10 Stock in trade

	As at March 31, 2021	As at March 31, 2020
At fair value through profit or loss		
(i) Mutual Fund	67.53	65.00
(ii) Debt securities	1,388.49	584.75
(iii) Equity instruments	0.03	0.33
(iv) Nifty-linked debentures	237.88	163.49
TOTAL	<u>1,693.93</u>	<u>813.57</u>
(i) Stock in trade held outside India	-	-
(ii) Stock in trade held in India	1,693.93	813.57
Total	<u>1,693.93</u>	<u>813.57</u>

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
11 Current investments		
Investments in partnership firm, Capital account		
Edelweiss Multi Strategy Fund Advisors LLP	6.06	-
Investment in others		
Edelweiss Wealth Advisors LLP (Formerly known as Forefront Wealth Advisors LLP)	0.70	4.40
	<u>6.76</u>	<u>4.40</u>

Note: Disclosures as required by IND AS 107 have been separately provided in Note 55 and 58

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
12 Trade receivables		
Receivables considered good - Secured*	102.84	114.88
Receivables considered good - Unsecured	56.56	618.56
Receivables - Credit impaired	430.68	409.22
	<u>590.08</u>	<u>1,142.66</u>
Less : Allowance for expected credit losses	373.27	355.75
	<u>216.81</u>	<u>786.91</u>
<i>*secured by inventory held on behalf of principal</i>		
13 Cash and cash equivalents		
Cash on hand	-	0.17
Balances with banks*		
- in current accounts	320.83	4,036.42
- in fixed deposits with original maturity less than 3 months	2.77	130.63
	<u>323.60</u>	<u>4,167.22</u>
<i>* Fixed deposit amounting to Rs.2.77 millions (Previous year: Rs.129.37 millions) held under encumbrance - refer note 44</i>		
14 Bank balances other than cash and cash equivalents		
Fixed deposits (refer note 44 on Encumbrances on fixed deposits)	71.64	61.86
Long term bank deposits with banks	41.96	53.96
Short term bank deposits with banks	1.31	1.26
	<u>114.91</u>	<u>117.08</u>

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
15 Loans- Current		
<u>Secured</u>		
Receivables from financing business*	1,250.13	590.88
Provision for expected credit loss on loans	(1,190.13)	(226.91)
	<u>60.00</u>	<u>363.97</u>
<u>Unsecured</u>		
Loans and advances to related parties	11,209.30	8,491.32
Accrued interest on loans given	228.21	233.63
Provision for expected credit loss on loans	(204.76)	(19.92)
	<u>11,232.75</u>	<u>8,705.03</u>
Intercompany deposits placed	1,100.00	1,100.00
Accrued interest on Intercompany deposits	14.07	14.07
Impairment on intercompany deposits placed	(1,114.07)	(620.45)
	<u>-</u>	<u>493.62</u>
Loans and advances to employees	1.30	5.23
	<u>11,294.05</u>	<u>9,567.85</u>
<i>* Secured against securities</i>		
16 Other financial assets		
Deposits placed with/exchange/depositories	-	4.16
Rental deposits	9.97	-
Deposits- others	35.67	101.18
Receivable from exchange / clearing house (net)	0.52	0.52
Margin placed with broker	1.20	-
Advances recoverable in cash or in kind or for value to be received	287.84	295.95
	<u>335.20</u>	<u>401.81</u>
17 Current tax assets (net)		
Advance income taxes	744.47	669.23
<i>(net of provision for income tax of Rs.Nil millions (Previous year: Rs.373.77 millions))</i>		
	<u>744.47</u>	<u>669.23</u>
18 Other current assets		
(Unsecured Considered good, unless stated otherwise)		
Input tax credit	203.82	330.10
Advances to others	0.02	0.09
Prepaid expenses	33.91	57.27
Vendor Advance	82.57	25.58
Advances recoverable in cash or in kind or for value to be received	15.91	0.42
Other assets	0.39	-
Contribution to gratuity fund	32.89	-
	<u>369.99</u>	<u>413.46</u>

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
19 Share capital		
Authorised:		
4,25,00,000 (Previous year: 4,25,00,000) equity shares of Rs. 10 each	425.00	425.00
7,20,00,000 (Previous year: 7,20,00,000) preference shares of Rs. 10 each	720.00	720.00
	1,145.00	1,145.00
Issued, Subscribed and Paid up:		
(a) Equity Shares		
3,97,75,367 (Previous year: 3,97,75,367) equity shares of Rs. 10 each, fully paid up	397.75	397.75
	397.75	397.75
(b) Instruments entirely equity in nature		
(i) Compulsory Convertible Preference Shares ('CCPS')		
(13,59,955 CCPS (Previous year Nil) - 0.01% Compulsory Convertible Preference Shares ("CCPS") of face value of Rs. 10/- along with premium of Rs. 357.66	500.00	-
(ii) Compulsorily Convertible Debentures ('CCDs')		
90,00,000 CCDs (Previous year Nil) of the face value of Rs. 1,000/- each	9,000.00	-
	9,500.00	-

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

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	39,775,367	397.75	29,775,368	297.75
Issued during the year	-	-	9,999,999	100.00
Outstanding at the end of the year	39,775,367	397.75	39,775,367	397.75

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

	31 March 2021		31 March 2020	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares				
Edelweiss Financial Services Limited, the holding company and its nominees	-	0.00%	32,716,544	82.25%
Edel Finance company Limited	39,775,367	100.00%	7,058,823	17.75%

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

	31 March 2021		31 March 2020	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up				
Edelweiss Financial Services Limited, the holding company and its nominees	-	0.00%	32,716,544	82.25%
Edel Finance company Limited	39,775,367	100.00%	7,058,823	17.75%

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. 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. 1 CCD will be converted into 2.71 Equity Shares. i.e 33,21,033 equity shares will get issued on the date of conversion of CCD.

Note 1:

No share allotted as fully paid up by way of bonus shares by the Company during the period of five years immediately preceding the balance sheet date.

Note 2:

No shares bought back by the Company during the period of five years immediately preceding the balance sheet date.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
20 Other Equity		
Capital Reserve	402.85	402.85
Capital Redemption Reserve	30.00	30.00
Securities Premium Account	2,644.51	2,644.51
Debenture Redemption Reserve	2,356.22	2,356.22
Revaluation Reserve through other comprehensive income	960.84	1,006.25
ESOP Reserve	62.41	62.41
Retained earnings	(11,816.86)	(2,698.38)
	(5,360.03)	3,803.86
Movement in Reserves and surplus		
i. Capital Reserve - Opening balance	402.85	402.85
Add : Additions during the year	-	-
Capital Reserve	402.85	402.85
ii. Capital Redemption Reserve - Opening balance	30.00	30.00
Add : Additions during the year	-	-
Capital Redemption Reserve	30.00	30.00
iii. Securities Premium Account - Opening balance	2,644.51	2,644.51
Add : Additions during the year	-	-
Securities Premium Account	2,644.51	2,644.51
iv. Debenture Redemption Reserve - Opening balance	2,356.22	2,356.22
Add : Additions during the year	-	-
Debenture Redemption Reserve	2,356.22	2,356.22
v. Revaluation Reserve through other comprehensive income - Opening balance	1,006.25	-
Add : Movement/ additions during the year (refer note in schedule 2)	(45.41)	1,006.25
Revaluation Reserve through other comprehensive income	960.84	1,006.25
vi. ESOP Reserve - Opening balance	62.41	62.41
Add : Additions during the year	-	-
ESOP Reserve	62.41	62.41
vii. Deemed capital contribution - Preference Capital (Issuer) - Opening balance	1,228.26	1,175.29
Additions / reductions during the year	0.00	52.97
Deemed capital contribution	1,228.26	1,228.26
viii. Deemed Distribution - Preference Capital (Holder) - Opening balance	(903.57)	(784.61)
Additions / reductions during the year	-	(118.96)
Deemed Distribution	(903.57)	(903.57)
ix. Retained Earnings - Opening Balance	(2,698.38)	(41.73)
Add: Transactions with shareholders in their capacity as such - on issuance of preference shares	-	(65.99)
Add: Deferred tax on ESOP	-	-
Add: Transition impact of Ind AS 116 (net of tax)	-	(15.57)
Add: Profit/ (loss) for the year	(9,175.31)	(2,572.62)
Add: Other comprehensive income for the year	56.83	(2.47)
Retained earnings	(11,816.86)	(2,698.38)

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
21 Long-term borrowings		
<i>Secured</i>		
Non-convertible redeemable debentures *	5,943.52	24,385.79
Interest accrued on borrowings	1,200.12	1,076.91
<i>Unsecured</i>		
Non-convertible redeemable debentures	5,500.00	5,500.00
Interest accrued on borrowings	89.87	91.33
Preference Shares Capital - Fellow Subsidiaries	2,036.39	1,549.05
Preference Shares Capital - Outsiders	11.47	300.68
	14,781.37	32,903.76
<i>*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.</i>		
22 Other financial liabilities		
Rental Deposits	825.98	1,056.26
	825.98	1,056.26
23 Long-term provisions		
Provision for employee benefits		
Gratuity	-	1.39
Compensated leave absences	3.85	9.40
	3.85	10.79

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
24 Short-term borrowings		
<u>Secured</u>		
Privately Placed Non-convertible debentures <i>(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)</i>	16,506.92	6,884.37
Sub-total (A)	16,506.92	6,884.37
<u>Unsecured</u>		
Loan from related parties	2,368.50	3,754.39
Commercial paper	5,120.00	-
Less : Unamortised discount	(350.95)	-
	4,769.05	-
Preference Shares Capital - Fellow Subsidiaries	-	447.61
Sub-total (B)	7,137.55	4,202.00
Interest accrued on borrowings (C)	64.55	593.14
Total (A+B+C)	23,709.02	11,679.51

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2021	As at March 31, 2020
25 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	0.23	7.07
Total outstanding dues to creditors other than micro enterprises and small enterprises	446.52	442.08
	<u>446.75</u>	<u>449.15</u>
26 Other financial liabilities		
Book overdraft	-	0.05
Accrued salaries and benefits	320.67	5.08
Payable to exchange / clearing house (net)	-	0.70
Retention money payable	1.29	6.56
Other payables	43.81	54.44
Lease Liabilities	18.41	5.08
	<u>384.18</u>	<u>71.91</u>
27 Other current liabilities		
Withholding taxes, Goods & service tax and other taxes payable	30.14	33.30
Advances from customers	-	222.24
Others	11.12	13.98
	<u>41.26</u>	<u>269.52</u>
28 Short-term provisions		
Provision for employee benefits :		
Gratuity	-	2.77
Compensated absences	1.32	2.24
Proposed dividend	7.38	41.81
	<u>9.12</u>	<u>46.82</u>

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
29 Fee and commission income		
Income from commodities services	127.42	233.53
Business support services income	889.57	1,457.18
Advisory income (including referral and arranger fees)	188.84	68.80
	1,205.83	1,759.51
30 Gain/(loss) from Treasury		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss	(477.75)	(1,838.69)
Investments	(385.77)	(1,920.97)
(Loss)/ profit on trading of securities (net)	(389.46)	(1,430.39)
Dividend on long term investment	4.83	-
Fair value gain / (loss) - Equity	1.70	(802.04)
Fair value gain - Debt Instruments	(2.84)	311.46
Derivatives	(91.98)	82.28
(Loss)/ profit on trading in equity derivative instruments (net)	-	(42.69)
Profit/(loss) on trading in currency derivative instruments (net)	(91.98)	124.97
(B) Others	4.96	13.76
Profit / (loss) on sale of long term investment	-	11.37
Share of profit / (loss) in partnership firm	4.96	2.39
(C) Loss on sale of financial instrument at amortised cost	-	(136.07)
Total Gain/(loss) from treasury (A+B+C)	(472.79)	(1,961.00)
31 Interest income		
Interest Income from group company loan	2,776.81	2,180.29
Interest Income on credit substitutes	138.68	304.24
Interest income on intercorporate deposits	-	300.47
Interest income on fixed deposits	6.44	44.49
Interest income on debt instrument	836.63	2,942.42
Interest income on margin with brokers	0.45	3.15
Interest income on delayed payments	(11.20)	129.19
Interest income preference shares group companies	118.66	0.33
Interest Income - others	0.11	0.10
	3,866.58	5,904.68
32 Other operating revenue		
Warehouse charges	411.42	712.35
Rental income	369.04	426.48
Gain due to foreign exchange movement on trade	(0.04)	-
Profit on sale of investment	-	284.84
	780.42	1,423.67
33 Other income		
Profit on sale of fixed assets (net)	-	5.33
Foreign exchange (loss) / gain	(0.22)	(39.81)
Miscellaneous income	38.70	22.78
Interest on Income Tax Refund	52.94	21.69
	91.42	9.99

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
34 Impairment on financial instruments		
Bad- debts and advances written off	32.76	457.86
Diminution in value of investments	1,453.87	205.66
Provision for non performing assets	5,455.13	2,217.45
Provision for doubtful debts	77.52	(12.63)
	7,019.28	2,868.34
35 Employee benefit expenses		
Salaries, wages and Bonus	1,061.23	1,033.97
Contribution to provident and other funds	29.61	72.91
Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	19.55	20.19
Staff welfare expenses	26.36	54.48
	1,136.75	1,181.55
36 Finance costs		
Interest on debentures	3,110.48	3,449.00
Interest on inter-corporate deposits	-	0.79
Interest on term loan	-	17.96
Interest on bank overdraft	(0.11)	65.64
Interest on loan from holding company	352.58	0.29
Interest on loan from group companies	331.24	778.88
Interest on loan from others	7.57	90.21
Interest - others	94.45	7.47
Interest on lease liabilities - Ind AS 116	9.83	27.04
Discount on commercial paper	480.77	580.07
Financial and bank charges	131.06	74.28
Interest on shortfall in payment of advance income tax	0.90	-
Finance charge on preference shares issued	216.09	164.40
	4,734.86	5,256.03

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
37 Other expenses		
Advertisement and business promotion	0.98	21.36
Auditor's remuneration (refer note below)	6.27	6.63
Commission and brokerage	2.26	21.77
Communication expenses	16.56	30.49
Computer expenses	114.94	63.86
Clearing and custodian charges	7.98	20.83
Contribution towards corporate social responsibilities (refer note no 53)	3.50	17.57
Dematerialisation charges	0.19	0.35
Directors' sitting fees	0.34	0.54
Donation	-	20.12
Electricity charges (net)	36.80	78.30
Foreign exchange loss (net)	(1.90)	0.20
Insurance	27.35	30.40
Loss on sale of Investments	2.63	-
Legal and professional fees	78.12	107.03
Loss on sale of fixed assets (net)	138.01	-
Membership and subscription	3.93	0.37
Office expenses	106.79	289.29
Postage and courier	0.20	5.45
Printing and stationery	3.99	0.19
Rates and taxes	8.29	10.41
Rating support fees	12.28	0.91
Rent	86.48	80.44
Repairs and maintenance - Building	0.11	0.10
Repairs and maintenance - others	2.74	23.58
Goods and service tax (GST) / Service tax expenses	151.44	147.41
Stamp duty	4.95	3.74
Stock exchange expenses	0.62	0.96
Transportation charges	23.85	32.50
Travelling and conveyance	13.42	61.24
Warehousing charges	192.96	466.60
Miscellaneous expenses	1.96	15.83
	1,048.04	1,558.47
Auditor's remuneration:		
Statutory audit	3.44	3.44
Limited Review	2.10	2.10
Certification and consultation	0.65	0.65
Reimbursement of expenses	0.08	0.44
	6.27	6.63

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

38. Edelweiss Custodial Services Limited (“ECDSL”), an erstwhile subsidiary of the Edelweiss Financial Services Company (“EFSL”), challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court (“ACMM”), Mumbai. Since the investigation against the trading member, for which ECDSL was a clearing member, is still under process, the said investigative agency contended that it had no objection to setting aside the lien order upon ECDSL providing an undertaking to keep sufficient assets unencumbered. The matter is subjudice and has been listed for further hearing. On behalf of ECDSL, the Company has since provided the undertaking to keep sufficient assets amounting to Rs.2,519.50 millions belonging to the Company unencumbered and consequently the said lien order on ECDSL’s clearing bank account has been set aside on October 01,2020. The Company has been represented by ECDSL 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 statements as at March 31 2021.

39 Segment reporting:

Primary Segment (Business segment)

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

Segment	Activities covered
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 administration, compliance, payroll, finance and accounts, 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 Agriculture 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 using basis such as employees headcount or segment revenue. Based on such allocations, segment disclosures relating to revenue, results, assets, and liabilities have been prepared.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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 2021	As at/ For the year ended 31 March 2020
I	Segment Revenue		
	a) Capital based business	3,778.64	3,961.29
	b) Treasury management	280.37	647.79
	c) Business Support Services	779.49	1,457.18
	d) Warehouse Services	580.00	1,048.90
	e) Trading in commodities	1,717.12	8,998.49
	f) Unallocated	52.96	21.69
	Total Income	7,188.58	16,135.34
II	Segment Results		
	a) Capital based business	(8,630.62)	(3,999.54)
	b) Treasury management	(38.56)	76.03
	c) Business Support Services	(155.38)	148.05
	d) Warehouse Services	(116.27)	(352.81)
	e) Trading in commodities	(11.72)	99.94
	f) Unallocated	52.95	21.69
	Loss before taxation	(8,899.60)	(4,006.64)
	Less: Provision for taxation	275.71	(1,434.02)
	Profit after taxation	(9,175.31)	(2,572.62)
III	Segment Assets		
	a) Capital based business	38,113.42	43,552.84
	b) Treasury management	3,814.59	2,937.58
	c) Business Support Services	108.86	410.95
	d) Warehouse Services	107.94	375.96
	e) Trading in commodities	-	436.09
	f) Unallocated	2,594.12	2,975.92
	Total	44,739.25	50,689.34

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

39 Segment reporting (continued):

Particulars		As at/ For the year ended 31 March 2021	As at/ For the year ended 31 March 2020
IV	Segment Liabilities		
	a) Capital based business	36,847.28	43,549.40
	b) Treasury management	3,107.20	2,525.68
	c) Business Support Services	213.72	12.86
	d) Warehouse Services	32.87	55.14
	e) Trading in commodities	-	344.65
	f) Unallocated	-	-
	Total	40,201.21	46,487.73
V	Capital expenditure (including intangibles under development)		
	a) Capital based business	120.88	339.02
	b) Treasury management	-	-
	c) Business Support Services	-	-
	d) Warehouse Services	-	-
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	120.88	339.02
VI	Depreciation and amortisation		
	a) Capital based business	289.76	273.41
	b) Treasury management	1.86	1.20
	c) Business Support Services	100.10	59.53
	d) Warehouse Services	28.69	44.90
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	420.41	379.04
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	7,004.29	2,814.19
	b) Treasury management	-	5.67
	c) Business Support Services	-	-
	d) Warehouse Services	14.99	48.48
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	7,019.28	2,868.34

No single customer represents 10% or more of the Company's total revenue for the year ended 31 March 2021 and 2020.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

40 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures”

Sr. No.	Particulars
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, ultimate Holding Company
	Edel Finance Company Limited , Holding Company (W.e.f 10th March 2021)
B.	Entities which are controlled by the Company
	Edelweiss Housing Finance Limited
	EC Commodity Limited (w.e.f 29 th March 2019)
	Edelweiss Comtrade Limited (w.e.f 29 th March 2019)
	Edelweiss Investment Advisers Limited (w.e.f 31 st March 2020)

C.	Fellow Subsidiaries with whom the Company has transactions
	Edelweiss Finvest Limited *(formerly known as Edelweiss Finvest Private Limited merged with Edel Finance Company Limited w.e.f 1 th April 2019)
	Lichen Metals Private Limited (till 30 th March 2021)
	Allium Finance Private Limited
	Edelweiss Asset Reconstruction Company Limited
	ECL Finance Limited
	Edelweiss Finance & Investments Limited (till 26 th March 2021)
	Edelweiss Securities Limited (till 26 th March 2021)
	Edelweiss Custodial Services Limited (till 26 th March 2021)
	Edelweiss Trustee Services Limited

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

40 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” (continued):

C.	Fellow Subsidiaries with whom the Company has transactions (continued):
	Edelweiss Asset Management Limited
	Edelcap Securities Limited
	Ecap Equities Limited
	Edelweiss Broking Limited (till 26 th March 2021)
	Edelweiss Investment Adviser Limited (till 30 th March 2020)
	Edel Land Limited
	Edelweiss Global Wealth Management Limited (till 26 th March 2021)
	Edelweiss Gallagher Insurance Brokers Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Alternative Asset Advisors Limited
	Edel Investments Limited
	Aster Commodities DMCC
	Edelweiss Multi Strategy Funds Management Private Limited (Merged with Edelweiss Asset Management Limited w.e.f 1 st February 2019)
	Edelgive Foundation
	Edelweiss Financial Services Inc. (till 26 th March 2021)
	Edelweiss Retail Finance Limited
	Edelweiss General Insurance Company Limited
	EW Clover Scheme
	Edelweiss Trusteeship Company Limited
	EC Global Limited
	Edelweiss Capital Singapore Pte Limited
	EC International Limited, Mauritius
	Edelweiss Alternative Asset Advisors Pte Limited
	Edelweiss International Singapore Pte Limited

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

40 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” (continued):

C.	Fellow Subsidiaries with whom the Company has transactions (continued):
	EAAA, LLC
	EW Special Opportunities Advisors LLC
	EW India Special Assets Advisors LLC
	Edelweiss Securities (Hong kong) Private Limited (till 26 th March 2021)
	Edelweiss India Capital Management Private Limited
	EFSL International Limited
	Edelweiss Financial Services (UK) Limited (till 26 th March 2021)
	Edelweiss Holdings Limited (Merged with Ecap Equities Limited w.e.f 29 th November 2019.)
	Edelweiss Securities (IFSC) Limited (till 26 th March 2021)
	Allium Finance Private Limited
	Edelweiss Securities Trading and Management Private Limited (Formerly known as Dahlia Commodities Services Private Limited) (Merged with Edelweiss Securities and Investments Private Limited w.e.f 29 th November 2019)
	Edelweiss Securities and Investments Private Limited (Formerly known as Magnolia Commodities Services Private Limited)
	Edelweiss Investment Advisors Private Limited (till 26 th March 2021)
	ESL Securities Limited (till 26 th March 2021)
D.	Enterprises in which fellow subsidiary companies exercise significant influence with whom transactions have taken place:
	Edelweiss Multi Strategy Fund Advisors LLP
	Edelweiss Wealth Advisors LLP (formerly known as Forefront Wealth Advisors LLP)
	Edelweiss Private Equity Tech Fund
	Edelweiss Value and Growth Fund
	India Credit Investment Fund II

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

40 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” (continued):

E	Enterprises in which Ultimate holding company exercises significant influence with whom transactions have taken place:
	Edelweiss Securities (Hong kong) Private Limited (from 27 th March 2021)
	Edelweiss Financial Services (UK) Limited (from 27 th March 2021)
	Edelweiss Securities (IFSC) Limited (from 27 th March 2021)
	Edelweiss Investment Advisors Private Limited (from 27 th March 2021)
	ESL Securities Limited (from 27 th March 2021)
	Edelweiss Financial Services Inc. (from 27 ^h March 2021)
F.	Key Management Personnel with whom transactions have taken place
	Mr. Rujan Panjwani (Executive Director) (resigned w.e.f. August 31, 2020)
	Mr. Santosh Dadheech (Executive Director)
	Ms. Ananya Suneja (w.e.f. December 01,2020)
	Mr. Manoj Sharma (Chief Financial Officer)
G.	Non-Executive Directors
	Ms. Kalpana Maniar (Resigned w.e.f. December 28, 2020)
	Mr. Nikhil Johari
G.	Independent Directors
	Dr. Vinod Juneja
	Mr. Kunnasagaran Chinniah

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Capital account transactions during the year			
Interim dividend Paid/proposed	Edelweiss Securities Limited	-	0.70
	ECap Equities Limited	0.70	-
	ECL Finance Limited	0.70	0.70
Compulsory Convertible Preference Share issued to	Edel Finance Company Limited (Refer note no 5)	500.00	-
Non-cumulative Non-convertible Redeemable Preference Shares issued to	Edel Finance Company Limited (Refer note no 5)	-	500.00
Redemption of Preference Share issued	Edel Finance Company Limited (Refer note no 5)	500.00	-
Redemption of Preference Share Purchased	ECap Equities Limited	1,000.00	-
Inter-corporate deposits placed with	EW Clover Scheme I	-	6,281.29
	Edelweiss Asset Reconstruction Company Limited	-	5,050.00
Inter corporate deposits repaid by	EW Clover Scheme I	-	6,281.29
	Edelweiss Asset Reconstruction Company Limited	-	8,650.00
Compulsory Convertible Debenture issued to	Edel Finance Company Limited (Refer note no 5)	9,000.00	-
Short term loans taken from (Refer note 1 and 2)	Edelweiss Financial Services Limited	21,430.85	0.19
	ECap Equities Limited	11,803.68	198,009.59
	ECL Finance Limited	8,360.00	9,994.00
	Edel Finance Company Limited (Refer note no 5)	5,304.52	28,230.89
	Lichen Metals Private Limited	178.69	214.12
	EC Commodity Limited	-	260.10
	Edel Investments Limited	975.58	395.05
	Allium Finance Private Limited	44.80	29.10
	Edelweiss Securities And Investments Private Limited	576.70	826.26
	Edelweiss Retail Finance Limited	250.00	2,150.00
	Edelweiss Housing Finance Limited	800.00	-
	Edelweiss Trustee Services Limited	-	1.80
Short term loans repaid to (Refer note 1 and 2)	Edelweiss Financial Services Limited	19,233.77	6.20
	ECap Equities Limited	11,803.68	198,010.19
	ECL Finance Limited	9,964.00	8,390.00
	Edel Finance Company Limited (Refer note no 5)	5,299.52	28,452.85
	Lichen Metals Private Limited	179.19	214.24
	Edel Finance Company Limited (Refer note no 5)	-	-
	EC Commodity Limited	-	260.50
	Edel Investments Limited	837.25	395.72
	Allium Finance Private Limited	23.53	754.50
	Edelweiss Securities And Investments Private Limited	576.30	826.26
	Edelweiss Retail Finance Limited	2,400.00	-
	Edelweiss Housing Finance Limited	800.00	-
	Edelweiss Trustee Services Limited	-	2.84
Short term loans given to (Refer note 1 and 2)	ECap Equities Limited	90,699.91	114,487.57
	ECL Finance Limited	3,821.54	82,586.21
	Edel Finance Company Limited (Refer note no 5)	29,312.89	68,031.92
	Edelcap Securities Limited	4,882.60	165.98
	Edel Investments Limited	512.66	2,987.04
	Edelweiss Investment Advisors Limited	-	5,000.00
	Edelweiss Global Wealth Management Limited	512.66	471.46
	Edelweiss Retail Finance Limited	-	3,194.72
	Edelweiss Securities Limited	1,578.85	97,008.46
	Edelweiss Housing Finance Limited	-	15,497.54
	Edelweiss Broking Limited	1,216.10	86,650.33
	Edelweiss Securities And Investments Private Limited	1,015.21	811.00
	Edelweiss Financial Services Limited	3,313.86	105,386.00
	Edelweiss Finance and Investments Limited	-	49,269.70
	Edelweiss Custodial Services Limited	916.00	69,596.10
	Edelweiss Asset Management Limited	-	916.25
	Edelweiss Alternative Asset Advisors Limited	1,740.27	2,379.20
	EC Commodity Limited	6,236.47	4,302.36
	Edelweiss Comtrade Limited	50.93	1,666.15
	Edel Land Limited	7,491.96	2,896.20
	Edelweiss Multi Strategy Fund Advisors LLP	45.00	24.05
	Lichen Metals Private Limited	0.46	266.42
	Edelweiss Trustee Services Limited	-	4.80

Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Short term loans repaid by (Refer note 1 and 2)	ECap Equities Limited	92,640.34	107,644.60
	ECL Finance Limited	3,827.45	83,591.21
	Edel Finance Company Limited (Refer note no 5)	24,676.53	67,668.78
	Edelcap Securities Limited	3,230.20	166.50
	Edel Investments Limited	67.67	3,173.04
	Edelweiss Investment Advisors Limited	3,230.20	1,000.08
	Edelweiss Global Wealth Management Limited	357.06	1,947.87
	Edelweiss Retail Finance Limited	-	3,195.24
	Edelweiss Securities Limited	1,587.32	99,027.79
	Edelweiss Housing Finance Limited	-	15,498.08
	Edelweiss Broking Limited	1,219.62	87,112.08
	Edelweiss Securities And Investments Private Limited	4,032.94	14.14
	Edelweiss Financial Services Limited	3,313.86	108,309.30
	Edelweiss Finance and Investments Limited	28.94	49,720.97
	Edelweiss Custodial Services Limited	2,072.00	68,443.02
	Edelweiss Asset Management Limited	-	971.65
	Edelweiss Alternative Asset Advisors Limited	2,860.19	2,597.93
	EC Commodity Limited	5,328.30	3,942.05
	Edelweiss Comtrade Limited	66.49	1,746.51
	Edel Land Limited	5,128.91	1,271.49
	Edelweiss Multi Strategy Fund Advisors LLP	76.41	71.56
	Lichen Metals Private Limited	265.67	22.57
	Edelweiss Trustee Services Limited	-	4.80
Non Convertible Debentures subscribed by	ECap Equities Limited	-	5,500.00
Security deposit received from	Edelweiss Housing Finance Limited	-	100.00
	ECap Equities Limited	-	100.00
	ECL Finance Limited	-	500.00
	Edelweiss Global Wealth Management Limited	-	75.00
Purchase of equity shares from	Edelweiss Securities limited	1,043.33	-
	Edel Finance Company Limited (Refer note no 5)	0.10	1,000.00
Investments in equity shares sold to	ECL Finance Limited	-	152.38
	Edelweiss Financial Services Limited	-	473.21
	ECap Equities Limited	0.06	-
	Edel Finance Company Limited (Refer note no 5)	4,906.33	51.78
Investments in preference shares	ECap Equities Limited	-	1,000.00
Investments in Compulsory Convertible debentures of	ECL Finance Limited Perpetual Bonds	-	2,129.61
	Edel Land Limited	600.00	-
	ECap Equities Limited	4,000.00	-
Redemption in debentures of	Edelweiss Asset Reconstruction Company Limited	-	1,500.00
Withdrawal of capital from partnership firm	Edelweiss Resolution Advisors LLP	7.80	0.03
	Edelweiss Multi Strategy Fund Advisors LLP	5.25	-
Investments in Other	India Credit Investment Fund II	1,588.97	-
	Edelweiss Value and Growth Fund	1.70	-

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Secondary market transactions (acting as broker)			
Margin placed with	Edelweiss Securities Limited	-	3.58
	Edelweiss Custodial Services Limited	1,633.93	2,273.64
Margin withdrawn from	Edelweiss Securities Limited	0.46	4.02
	Edelweiss Custodial Services Limited	1,631.83	2,356.90
Payment Received for Transfer of Employee benefit Related Provision	Lichen Metal Private Limited	0.42	-
Intrim dividend Received	Lichen Metal Private Limited	4.83	-
Purchase of fixed assets from	Edelweiss Securities Limited	0.09	0.61
	Edelweiss Global Wealth Management Limited	0.01	0.01
	Edelweiss Broking Limited	0.05	0.27
	Ecap Equities Limited	0.01	0.70
	Edelweiss Investment Advisors Limited	-	0.05
	Edelweiss Financial Services Limited	0.04	0.11
	ECL Finance Limited	0.19	0.62
	Edelweiss Gallagher Insurance Brokers Limited	0.01	0.05
	Edelweiss Retail Finance Limited	0.02	0.04
	Edelweiss Housing Finance Limited	0.07	1.24
	Edelweiss Custodial Services Limited	-	0.05
	Edel Land Limited	0.01	-
	Edelweiss Asset Management Limited	0.01	-
	Edelweiss Finance & Investments Limited	0.01	-
	Edelweiss Alternative Asset Advisors Limited	0.01	-
	Edel Investments Limited	0.01	-
	Edelcap Securities Limited	0.05	-
Sale of fixed assets to	Edelweiss Securities Limited	0.92	2.35
	Edelweiss Custodial Services Limited	0.05	0.11
	Edelweiss Broking Limited	3.22	2.71
	Ecap Equities Limited	0.01	0.78
	Edelcap Securities Limited	0.04	0.05
	Edelweiss Financial Services Limited	0.01	0.07
	ECL Finance Limited	0.38	3.31
	Edelweiss General Insurance Company Limited	0.12	0.26
	Edelweiss Asset Reconstruction Company Limited	0.09	0.04
	Edelweiss Finance and Investments Limited	0.07	-
	Edel Finance Company Limited (Refer note no 5)	-	0.03
	Edelweiss Housing Finance Limited	0.03	0.07
	Edel Land Limited	0.07	0.03
	Edelweiss Retail Finance Limited	0.01	0.02
	EdelGive Foundation	0.01	-
	Edelweiss Global Wealth Management Limited	0.02	-
	Edelweiss Alternative Asset Advisors Limited	0.02	-
	Edelweiss Asset Management Limited	0.01	-
	Edel Investments Limited	0.01	-
	Edelweiss Tokio life Insurance Company Limited	0.17	-
Purchase/subscription of debentures from	ECL Finance Limited	212.24	932.62
	Ecap Equities Limited	1,302.78	-
	Edelcap Securities Limited	325.70	-
	Edel Finance Company Limited (Refer note no 5)	-	128.49
	Edelweiss Tokio life Insurance Company Limited.	-	25.03
Sale/redemption of debentures to	ECL Finance Limited	654.55	2,787.05
	Ecap Equities Limited	-	6,022.46
	Edel Finance Company Limited (Refer note no 5)	-	3,552.54
	Edelweiss Asset Reconstruction Company Limited	-	31.07
	Edelweiss Retail Finance Limited	0.08	215.94
	Edelweiss Tokio life Insurance Company Limited.	-	30.81
	EC Commodity Limited	-	796.19
	Edel Land Limited	-	796.19
	Edelweiss Securities And Investments Private Limited	15.23	796.19
Purchase / Subscription of certificate of deposit from	ECL Finance Limited	-	994.67
Remuneration paid to	Rujan Panjwani	3.68	10.22
	Santosh Dadheech	9.85	12.87
	Manoj Sharma	2.06	2.40
	Ananya Suneja	2.28	-

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Director Sitting Fees	Kunnasagaran Chinniah	0.22	0.24
	Vinod Juneja	0.30	0.28

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Income			
Business support service charges from	ECL Finance Limited	126.36	511.02
	Edelweiss Broking Limited	87.27	103.27
	Edelweiss Securities Limited	49.14	141.57
	Edelweiss Housing Finance Limited	44.42	70.25
	Edelweiss Retail Finance Limited	18.04	0.37
	Edelweiss Custodial Services Limited	33.27	58.46
	ECap Equities Limited	46.96	25.95
	Edelweiss Asset Reconstruction Company Limited	58.74	108.17
	Edel Finance Company Limited (Refer note no 5)	-	0.74
	Edelweiss Financial Services Limited	220.69	55.13
	Edelweiss Global Wealth Management Limited	3.73	34.30
	Edelweiss Alternative Asset Advisors Limited	20.21	43.61
	Edelweiss General Insurance Company Limited	31.14	64.32
	Edelweiss Asset Management Limited	23.62	33.15
	Edelcap Securities Limited	22.67	8.05
	Edelweiss Finance and Investments Limited	16.74	45.02
	Edelweiss Comtrade Limited	0.28	13.30
	Edel Investments Limited	2.88	16.13
	Edelweiss Gallagher Insurance Brokers Limited	7.49	22.88
	Edelweiss Investment Advisors Limited	0.66	0.25
	Edelweiss International (Singapore) Pte. Limited	7.10	-
	EC Commodity Limited	1.00	0.55
	Edel Land Limited	1.44	-
	Allium Finance Private Limited	0.02	0.52
	Edelweiss Securities (IFSC) Limited	-	0.01
	Lichen Metals Private Limited	0.03	0.03
	Edelweiss Tokio Life Insurance Company Limited	39.42	47.24
	EdelGive Foundation	1.57	0.75
	Edelweiss Trusteeship Company Limited	-	0.75

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Web-based service charges from	Edelweiss Broking Limited	-	19.29
	Edelweiss Comtrade Limited	-	5.52
Collateral management fees received from	ECL Finance Limited	1.59	18.76
Fees and Commission Income	ECL Finance Limited	-	0.02
	Edelweiss Gallagher Insurance Brokers Limited	-	0.50
Corporate Guarantee support fee	Edelweiss Housing Finance Limited	3.50	-
	ECL Finance Limited	142.49	-
	Edel Finance Company Limited (Refer note no 5)	8.58	-
	Edelweiss Retail Finance Limited	2.32	-
Rating Support Fees Income	Edelweiss Financial Services Limited	0.10	-
	Edelweiss Securities Limited	0.03	-
	Edelweiss Finance and Investments Limited	0.14	-
	Edelweiss Housing Finance Limited	0.15	-
	ECap Equities Limited	0.04	-
	ECL Finance Limited	0.91	-
	Edelweiss Broking Limited	0.01	-
	Edelweiss Custodial Services Limited	0.04	-
	Edelweiss Asset Reconstruction Company Limited	0.09	-
	Edel Finance Company Limited (Refer note no 5)	0.10	-
	Edelweiss Retail Finance Limited	0.08	-
Interest income on debentures (Including CCD)	Edelweiss Asset Reconstruction Company Limited	-	254.26
	ECL Finance Limited	217.50	202.60
	Edelweiss Housing Finance Limited	-	0.08
	Edelweiss Retail Finance Limited	1.64	2.71
	Edel Finance Company Limited (Refer note no 5)	2.64	0.71
	ECap Equities Limited	0.01	-
Interest income on Nifty Linked Debentures	ECap Equities Limited	610.88	2,449.24
Interest income on loan from	ECL Finance Limited	0.14	22.78
	ECap Equities Limited	1,376.58	91.74
	Edel Finance Company Limited (Refer note no 5)	-	-
	Edelweiss Investment Advisors Limited	1,023.77	763.90
	Edelweiss Broking Limited	19.11	352.52
	Edelweiss Securities Limited	0.08	65.88
	Edelcap Securities Limited	-	12.42
	Edelweiss Financial Services Limited	30.81	316.27
	Edelweiss Housing Finance Limited	-	53.82
	Edelweiss Alternative Asset Advisors Limited	46.20	114.33
	Edel Investments Limited	0.07	24.17
	Edelweiss Global Wealth Management Limited	11.45	143.91
	Edelweiss Retail Finance Limited	-	1.26
	Edelweiss Finance and Investments Limited	0.28	29.11
	Edel Land Limited	80.65	3.66
	Edelweiss Asset Management Limited	-	2.02
	Edelweiss Custodial Services Limited	10.59	18.89
	Edelweiss Comtrade Limited	4.17	18.12
	EC Commodity Limited	72.64	32.32
	Edelweiss Multi Strategy Fund Advisors LLP	3.12	6.48
	Lichen Metals Private Limited	0.57	0.18
	Edelweiss Securities And Investments Private Limited	-	2.31
	Edel Finance Company Limited (Refer note no 5)	60.51	79.84
Interest Income - Preference Capital (SIT)	ECap Equities Limited	118.66	0.33
Interest income on intercorporate deposits	Edelweiss Asset Reconstruction Company Limited	-	268.56
	EW Clover Scheme	-	14.42
Interest income on margin placed with	Edelweiss Custodial Services Limited	0.45	3.15
	Edelweiss Securities Limited	-	-
Share of Profit in LLP	Edelweiss Resolution Advisors LLP	4.96	2.39
Share of loss from fund	EW Clover	-	4.15
	Edelweiss Multi Strategy Fund Advisors LLP	-	-
Rental income from	ECL Finance Limited	42.16	92.51
	Edelweiss Financial Services Limited	48.71	59.40
	Edelweiss Securities Limited	48.70	54.28

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edelweiss Broking Limited	39.53	34.31
	Edelweiss Alternative Asset Advisors Limited	42.00	38.65
	Edelweiss Asset Reconstruction Company Limited	34.02	32.27
	Edelweiss Custodial Services Limited	16.97	15.19
	Edelweiss Housing Finance Limited	14.22	12.22
	Edelweiss Global Wealth Management Limited	8.05	7.45
	Edelweiss Finance and Investments Limited	12.39	6.71
	Edelcap Securities Limited	36.60	32.38
	ECap Equities Limited	7.21	15.81
	EC Commodity Limited	0.13	0.67
	Edel Investments Limited	4.69	5.52
	Edelweiss Asset Management Limited	15.07	8.38
	Edelweiss General Insurance Company Limited	0.09	0.12
	Edelweiss Retail Finance Limited	1.56	1.77
	Edelweiss Comtrade Limited	0.09	0.88
	Edelweiss Tokio Life Insurance Company Limited	0.02	0.17
	Edel Land Limited	1.06	1.74
	EdelGive Foundation	1.20	0.68
	Edel Finance Company Limited (Refer note no 5)	2.07	4.74
	Lichen Metals Private Limited	0.40	0.28
	Allium Finance Private Limited	0.12	0.19
	Edelweiss Gallagher Insurance Brokers Limited	0.17	0.15
	ESL Securities Limited	0.48	-
	Edelweiss Investment Advisors Limited	0.09	-

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Investment management support service from	EC Global Limited	-	24.35
	Edelweiss International (Singapore) Pte. Limited	23.82	4.71
Cost reimbursements recovered from	ECL Finance Limited	17.28	27.08
	Edelweiss Financial Services Limited	3.87	3.06
	Edelweiss Securities Limited	18.69	9.56
	Edelweiss Broking Limited	45.63	33.54
	Edelweiss Alternative Asset Advisors Limited	3.08	2.89
	Edelweiss Custodial Services Limited	8.53	2.71
	Edelcap Securities Limited	12.41	13.74
	Edelweiss Housing Finance Limited	10.18	13.37
	Edelweiss Finance and Investments Limited	4.59	3.18
	Edelweiss Global Wealth Management Limited	0.50	0.62
	Edelweiss Comtrade Limited	0.04	0.36
	EC Commodity Limited	1.26	1.42
	Edel Investments Limited	0.83	2.19
	Edelweiss General Insurance Company Limited	9.14	7.15
	Edelweiss Tokio Life Insurance Company Limited	9.80	8.76
	Edel Land Limited	1.59	0.93
	EdelGive Foundation	0.59	0.20
	Lichen Metals Private Limited	0.03	0.02
	Edelweiss Gallagher Insurance Brokers Limited	3.21	1.67
	Edel Finance Company Limited (Refer note no 5)	0.28	1.62
	Allium Finance Private Limited	0.02	1.33
	ECap Equities Limited	3.49	4.42
	Edelweiss Asset Management Limited	4.70	4.21
	Edelweiss Asset Reconstruction Company Limited	4.55	5.28
	Edelweiss Retail Finance Limited	1.26	1.91
	Edelweiss Investment Advisors Limited	0.09	0.43
	Edelweiss Trusteeship Company Limited	0.01	-
	Edelweiss Capital Services Limited	0.01	-
Expenses			
Clearing expenses to	Edelweiss Custodial Services Limited	8.47	2.94
Cost reimbursement to	Edelweiss Financial Services Limited	74.00	35.14
	ECap Equities Limited	9.18	16.58
	Edelweiss Broking Limited	0.74	3.75
	Edelweiss Securities Limited	2.74	1.92
	Edelweiss Asset Management Limited	-	0.54
	Edelweiss Retail Finance Limited	-	0.23
	Edelweiss Alternative Asset Advisors Limited	16.43	39.80
	Edelweiss Custodial Services Limited	-	1.40
	Edel Investments Limited	-	0.43
	Edel Land Limited	0.03	0.54
	Edelcap Securities Limited	3.04	1.76
	Edelweiss Finance and Investments Limited	0.41	0.70
	Edelweiss Global Wealth Management Limited	-	0.02
	EC Commodity Limited	0.07	0.01
	ECL Finance Limited	108.48	11.52
	Edelweiss Asset Reconstruction Company Limited	-	0.15
	Edel Finance Company Limited (Refer note no 5)	-	0.09
	EdelGive Foundation	-	0.01
	Edelweiss Gallagher Insurance Brokers Limited	-	0.02
	Edelweiss General Insurance Company Limited	-	0.07
	Edelweiss Investment Advisors Limited	-	0.01
	Edelweiss Tokio Life Insurance Company Limited	-	0.04
	Edelweiss Housing Finance Limited	-	0.47
	Edelvalue Partners	-	0.04
Brokerage and commission expenses	Edelweiss Securities Limited	0.03	2.38
	ECL Finance Limited	0.04	-
	ECap Equities Limited	0.05	-
	Edel Land Limited	0.04	-
	Edel Investments Limited	0.41	-
Donation expenses	EdelGive Foundation	3.50	17.57
Interest expenses on loans from	ECap Equities Limited	-	409.15
	Edelweiss Financial Services Limited	352.58	0.29
	Edel Finance Company Limited (Refer note no 5)	22.04	72.13
	ECL Finance Limited	124.69	262.13
	Lichen Metals Private Limited	5.02	18.61

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edelweiss Insurance Brokers Limited	-	0.17
	Edel Investments Limited	18.16	2.01
	Allium Finance Private Limited	1.10	70.50
	EC Commodity Limited	-	1.53
	Edelweiss Securities And Investments Private Limited	1.51	-
	Edelweiss Retail Finance Limited	134.99	6.13
	Edelweiss Housing Finance Limited	17.21	-
Interest expenses on Security deposit	ECL Finance Limited	60.50	1.99
	Edelweiss Global Wealth Management Limited	9.07	0.30
	Edelweiss Housing Finance Limited	12.10	0.40
	ECap Equities Limited	12.10	0.40
Interest expenses on debentures	ECap Equities Limited	354.81	91.33
	Edelcap Securities Limited	235.58	-
	Edel Land Limited	198.06	-
	EC Commodity Limited	43.46	-
	Edel Investments Limited	6.92	-
	Edelweiss Housing Finance Limited	9.56	-
	Edelweiss Securities And Investments Private Limited	17.33	-
	Edel Finance Company Limited (Refer note no 5)	2.63	-
	Edelweiss Tokio Life Insurance Company Limited	18.46	-
Interest / dividend on preference shares	ECL Finance Limited	68.86	63.39
	Edelweiss Securities Limited	-	63.39
	Edel Finance Company Limited (Refer note no 5)	52.39	0.58
	ECap Equities Limited	88.12	-
	Edelweiss Securities Limited	4.53	-

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Rating fees to and Bank guarantee commission	Edelweiss Financial Services Limited	0.25	0.91
Corporate Guarantee support fee	Edelweiss Financial Services Limited	170.18	-
Balances with related parties as on 31 March 2021 - (Assets)			
Accrued interest income on loans given	Edelweiss Investment Advisors Limited	85.36	78.40
	Edelweiss Securities Limited	-	2.38
	Edelweiss Broking Limited	-	18.99
	Edelweiss Financial Services Limited	-	13.42
	Edelweiss Alternative Asset Advisors Limited	-	4.47
	Edelweiss Global Wealth Management Limited	2.42	1.75
	Edel Investments Limited	-	6.08
	Edelweiss Custodial Services Limited	-	4.93
	Edelweiss Finance and Investments Limited	-	0.34
	Edelweiss Comtrade Limited	0.40	0.20
	Edelweiss Multi Strategy Fund Advisors LLP	-	0.27
	ECap Equities Limited	112.69	52.76
	EC Commodity Limited	7.58	5.47
	Edelweiss Securities And Investments Private Limited	0.08	-
	Lichen Metals Private Limited	-	0.09
	Edel Land Limited	6.57	1.95
	Edel Finance Company Limited (Refer note no 5)	11.48	40.76
Interest receivable on debentures from	Edelweiss Retail Finance Limited	0.04	0.04
	ECL Finance Limited	249.96	202.73
	Edel Finance Company Limited (Refer note no 5)	1.78	1.78
Investment in Partnership Firm	Edelweiss Resolution Advisors LLP	0.07	0.07
	Edelweiss Multi Strategy Fund Advisors LLP	0.05	0.10
	Edelweiss Wealth Advisor LLP	-	1.96
Investments in equity shares in	Edelweiss Housing Finance Limited	2,829.00	2,829.00
	EC Commodity Limited	501.43	501.43
	ECL Provision on EC Commodity	(501.43)	(200.00)
	Edelweiss Comtrade Limited	15.86	38.86
	Allium Finance Private Limited	21.18	21.18
	Edelweiss Asset Reconstruction Company Limited	446.43	446.43
	ECL Finance Limited	-	3,862.84
	Lichen Metals Private Limited	-	2.69
	Edelweiss Investment Advisor Limited	-	1,000.00
Investments in preference shares in	Allium Finance Private Limited	627.27	627.27
	ECap Equities Limited(After Deemed Contribution)	-	881.34
Investment in others	Edelweiss Value and Growth Fund	598.02	595.99
	Edelweiss Private Equity Tech Fund	199.36	205.10
	India Credit Investment Fund II	1,502.16	-
Partner's current account - receivable from	Edelweiss Resolution Advisors LLP	0.63	3.54
	Edelweiss Multi Strategy Fund Advisors LLP	6.01	-
Investments in debentures(Including CCD)	ECL Finance Limited Perpetual Bonds	2,120.60	709.89
	ECL Finance Limited Perpetual Bonds	-	709.89
	ECAP Equities Limited	4,000.01	709.89
	Edel Land Limited	600.00	709.89
Margin Payable to	Edelweiss Custodial Services Limited	(1.57)	0.60
	Edelweiss Securities Limited	0.37	0.10
Trade receivables from	ECL Finance Limited	-	51.84
	Edelweiss Broking Limited	11.90	14.01
	Edelweiss Securities Limited	8.70	24.37
	ECap Equities Limited Equities Limited	-	9.44
	Edelweiss Housing Finance Limited	6.85	11.48
	EC Global Limited	-	24.32
	Edelweiss Asset Reconstruction Company Limited	7.54	19.92
	Edelweiss Custodial Services Limited	4.94	8.93
	Edel Finance Company Limited (Refer note no 5)	3.99	0.91
	Edelweiss General Insurance Company Limited	4.17	103.67
	Edelweiss Global Wealth Management Limited	-	1.59
	Edelweiss Retail Finance Limited	3.72	0.02

Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edelcap Securities Limited	4.31	20.78
	Edelweiss Finance and Investments Limited	2.21	11.23
	Edelweiss Asset Management Limited	4.11	4.61
	Edelweiss Comtrade Limited	0.17	0.40
	Edelweiss International (Singapore) Pte. Limited	30.92	4.71
	Edelweiss Gallagher Insurance Brokers Limited	0.68	18.41
	Edel Investments Limited	-	4.41
	Edelweiss Investment Advisors Limited	0.08	0.10
	EC Commodity Limited	-	1.58
	Edelweiss Multi Strategy Fund Advisors LLP	-	0.14
	Edelweiss Securities And Investments Private Limited - Magnolia	0.06	0.06
	Edel Land Limited	0.26	0.33
	Allium Finance Private Limited	0.12	1.04
	Edelweiss Securities (IFSC) Limited	-	0.01
	Edelweiss Capital (Singapore) Pte. Limited	0.02	0.02
	EdelGive Foundation	0.13	0.01
	Lichen Metals Private Limited	-	0.03
	Edelweiss Integrated Commodity Management Limited	-	0.14
	Edelweiss Tokio Life Insurance Company Limited	3.64	66.26
	Edelweiss Alternative Asset Advisors Limited	3.61	7.34
Other Receivable	ECL Finance Limited	-	-
	Edelweiss Securities Limited	0.09	-
	ECap Equities Limited Equities Limited	0.01	-
	Edelweiss Custodial Services Limited	0.07	-
	Edelweiss General Insurance Company Limited	0.04	-
	Edelweiss Global Wealth Management Limited	0.01	-
	Edelcap Securities Limited	0.03	-
	Edelweiss Finance and Investments Limited	0.50	-
	Edelweiss Investment Advisors Limited	0.01	-
	Edel Land Limited	0.12	-
	Edelweiss Alternative Asset Advisors Limited	0.02	-
	ESL Securities Limited	0.01	-
	Edelweiss Financial Services Limited	0.01	-

Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Short term loans and advances given to	Edelweiss Investment Advisors Limited	11,366.92	9,714.52
	Edelweiss Financial Services Limited	-	719.09
	Edelweiss Securities Limited	-	8.47
	Edelweiss Global Wealth Management Limited	274.45	118.86
	Edelweiss Alternative Asset Advisors Limited	1.19	1,121.11
	Edelweiss Finance and Investments Limited	-	28.94
	Edelweiss Broking Limited	-	3.52
	ECap Equities Limited	6,113.36	7,054.19
	Edel Investments Limited	-	8.75
	Edelweiss Comtrade Limited	10.97	26.53
	Edelweiss Multi Strategy Fund Advisors LLP	-	31.41
	Lichen Metals Private Limited	-	264.71
	Edelweiss Custodial Services Limited	-	1,156.00
	Edel Land Limited	3,159.61	796.56
	Edelweiss Securities And Investments Private Limited - Magnolia	23.88	797.13
	EC Commodity Limited	1,269.02	360.85
	Edel Finance Company Limited (Refer note no 5)	5,000.00	363.12

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Stock in trade/ Nifty Linked Debentures	ECap Equities Limited	237.76	2,714.50
Non convertible debentures	ECL Finance Limited	1,325.36	532.40
	Edelweiss Retail Finance Limited	16.04	14.43
	Edel Finance Company Limited (Refer note no 5)	28.13	20.56
Balances with related parties as on 31 March 2021 - (Liabilities)			
Dividend payable to	ECL Finance Limited	0.70	0.70
	ECap Equities Limited	0.70	-
	Edelweiss Securities Limited	-	0.70
Subordinated Preference Shares	ECL Finance Limited	843.38	774.53
	ECap Equities Limited	1,193.01	774.53
	Edel Finance Company Limited (Refer note no 5)	-	447.61
Accrued interest expense on loans taken from	Edel Finance Company Limited (Refer note no 5)	-	-
	ECL Finance Limited	0.87	30.04
	Lichen Metals Private Limited	-	0.06
	Allium Finance Private Limited	0.18	0.08
	Edel Investments Limited	2.41	-
	Edel Finance Company Limited (Refer note no 5)	0.05	3.77
	Edelweiss Retail Finance Limited	-	5.52
	Edelweiss Financial Services Limited	51.13	-
	Edelweiss Housing Finance Limited	3.43	-
	Edelweiss Alternative Asset Advisors Limited	0.47	-
	Edelweiss Securities And Investments Private Limited	1.49	-
Interest Payable-CCD	Edel Finance Company Limited (Refer note no 5)	0.01	-
Non convertible debentures held by	ECap Equities Limited	3,877.74	5,500.00
	Edel Investments Limited	10.46	-
	Edelweiss Housing Finance Limited	79.73	-
	EC Commodity Limited	574.23	-
	Edel Land Limited	1,065.42	-
	Edelcap Securities Limited	1,469.33	-
	Edelweiss Tokio Life Insurance Company Limited	200.00	-
Interest Payable on Debenture	ECap Equities Limited	60.52	-
	Edel Investments Limited	0.18	-
	EC Commodity Limited	9.79	-
	Edel Land Limited	56.48	-
	Edelcap Securities Limited	44.08	-
	Edelweiss Tokio Life Insurance Company Limited	5.07	-
Nomination deposit payable to	Edelweiss Financial Services Limited	-	0.10
Rental deposits payable to	Edelweiss Asset Reconstruction Company Limited	50.00	50.00
	Edelweiss Housing Finance Limited	100.00	100.00
	ECap Equities Limited	100.00	100.00
	ECL Finance Limited	500.00	500.00
	Edelweiss Global Wealth Management Limited	75.00	75.00
Trade payables to	Edelweiss Financial Services Limited	128.62	12.86
	Edelweiss Global Wealth Management Limited	0.20	-
	EC Global Limited	0.02	-
	Edel Finance Company Limited (Refer note no 5)	2.22	-
	Edel Investments Limited	0.19	-
	EC Commodity Limited	0.05	-
	ESL Securities Limited	0.38	-
	ECL Finance Limited	82.41	-
Other Payable	Edelweiss Financial Services Limited	17.31	-
	Edelweiss Securities Limited	0.01	-
	Edelweiss Custodial Services Limited	0.03	-
	Edel Finance Company Limited (Refer note no 5)	0.02	-
	Edelweiss Retail Finance Limited	0.03	-
	Allium Finance Private Limited	0.01	-
	Edelweiss Securities (IFSC) Limited	0.10	-
Short term loans taken from (Refer note 1)	Allium Finance Private Limited	27.58	6.30
	Edel Finance Company Limited (Refer note no 5)	5.51	-

Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)

(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edel Investments Limited	138.33	-
	Edelweiss Retail Finance Limited	-	2,150.00
	ECL Finance Limited	-	1,598.09
	Edelweiss Financial Services Limited	2,197.08	-
Off balance sheet item			
Corporate guarantee given for	Edelweiss Housing Finance Limited	1,890.30	3,309.53
	ECL Finance Limited	-	32,539.30
	Edel Finance Company Limited (Refer note no 5)	766.20	1,688.30
	Edelweiss Retail Finance Limited	-	417.00
Corporate guarantee given by	Edelweiss Financial Services Limited	-	35,569.30

* amount is less than Rs. 0.01 million

Note:

- Previous year's figures have been restated where necessary.
- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, Total amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
- Loan given to subsidiaries and fellow subsidiaries are for the general corporate business.
- Edelweiss Finvest Limited (formerly Edelweiss Finvest Private Limited) was merged into Edel Finance Company Limited with effect from April 09, 2021. Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged entity are considered to be transacted with Edel Finance Company Limited and disclosed accordingly.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

41 Investments in partnership firms:

Name of Partnership Firm	Edelweiss Multi Strategy Fund Advisors LLP (Formerly known as Forefront Alternative Investment Advisors LLP)	
	As at 31 March 2021	As at 31 March 2020
Total capital of partnership firm	Rs. 0.10 millions	Rs. 3,005.10 millions
Name of partners	Share in capital and share in profit/loss	
Edel Land Limited	50.00%	25.041%
Ecap Equities Limited	-	49.915%
EC Commodity Limited	-	25.041%
Edelweiss Rural & Corporate Services Limited	50.00%	0.003%

Name of Partnership Firm	Edelweiss Wealth Advisors LLP (Formerly known as Forefront Wealth Advisors LLP)	
	As at 31 March 2021	As at 31 March 2020
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	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 (continued)

(Currency: Rupees in millions)

42 Contingent liabilities (to the extent not provided for):

(a)	Taxation matters in respect of which appeal is pending Rs.497.53 millions (Previous year: Rs.451.11 millions).
(b)	Corporate guarantee given by the Company to bank for Rs. 1,890.58 millions (Previous year: Rs. 2,384.80 millions) for availing Fund based Banking facilities by its subsidiary Company Edelweiss Housing Finance Limited.
(c)	The Company has given guarantee of Rs. 766.20 millions (Previous year Nil) on behalf of Edelweiss Finvest Limited ('EFL'), a group 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 EFL.
(d)	<p>During earlier years and for the year ended March 31, 2021, four fellow subsidiaries of the Company sold certain financial assets amounting to Rs.61,568.90 millions (net of losses) and Rs.10,711.50 millions (net of losses) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs.49,858.40 millions and Rs.8,801.10 millions respectively from these ARC Trusts. Ind AS 109 - Financial Instruments, prescribed under section 133 of the Companies Act, 2013, requires substantially risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial statements. Edelweiss Financial Services Limited (EFSL), the holding company, and the Company, had undertaken substantially risks and rewards amounting to Rs.35,569.30 millions and Rs.7,788.70 respectively for earlier years and for the year ended March 31, 2021 in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial statements.</p> <p>Based on a review performed by the subsidiaries' management, EFSL, with effect from January 1, 2021, has directly undertaken substantially risks and assumed rewards and has allowed ERCSL to exit its obligations. The Board of Directors of the Company in the meeting held on June 10, 2021 have approved such amendments to the said agreements. Further, the amendments to the said agreement shall be placed by the management of subsidiaries and EFSL in their respective ensuing Board of Directors' meeting for review and approval.</p>

The Company's pending litigations comprise of proceedings pending with Income Tax, customs, sales tax/VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its 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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

42 a. Owned stock :

Under Supply Chain Management agreements, the Company procures agriculture commodities from market for its clients. The Company has obtained an opinion that pursuant to provisions of the Sale of Goods Act, 1930, the title to the commodities remains with the Company until fulfilment of conditions by these clients. On the basis of the opinion, the Company has been accounting for these transactions as purchase and sale of agricultural commodities and showing unsold stock as inventory. All statutory returns under applicable laws are being filed based on the above premise. As on March 31, 2021, there is no stock lying with the Company under the Supply Chain Management agreements.

b. Third party stock.

The Company, as a part of its agriculture commodity business, deals with third party stock. The stock is stored at the Company's warehouses for which the Company is entitled to a fee income.

Third Party Stock comprises of the following:

- Pure warehousing -These stocks are held purely for warehousing purposes in the warehouse of the Company (Off books)
- Pledged stock - These stock merely are held with the Company in the warehouses (Off books), i.e. this stock is funded by third parties like banks/NBFC's and is in the custody of Company

Particulars	31-Mar-21	31-Mar-20
	Rs millions	Rs millions
Pure warehousing stock (PWH)	5,380.00	9,260.00
Pledged stock	2,390.00	20,350.00
Total	7,777.00	29,610.00

The Company has a programme to cover all warehouses in a phased manner over the year. Accordingly, the Company has performed physical verification in line with the aforesaid programme. Discrepancies noticed with respect to stock as per physical verification with the stock as per stock register were accordingly adjusted in the books of accounts or were concluded as immaterial in nature requiring no further adjustments.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

43 Encumbrances on fixed deposits held by the Company:

i)	Fixed deposits aggregating to Rs Nil millions (Previous year: Rs. 145.00 millions) have been pledged with banks for securing bank overdrafts.
ii)	Fixed deposits aggregating to Rs. 0.10 millions (Previous year: Rs. 0.10 millions) have been pledged with sales tax authorities for meeting deposit requirements.
iii)	Fixed deposits aggregating to Rs. 56.06 millions (Previous year: Rs. 23.39 millions) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
iv)	Fixed deposits aggregating to Rs. 16.50 millions (Previous year: Rs.18.40 millions) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
v)	Fixed deposits aggregating to Rs. 41.88 millions (Previous year: Rs.56.39 millions) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

44 Earnings per share:

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.

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a)	Loss after tax (as per statement of profit and loss)	(9,175.31)	(2,572.62)
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	39,775,367	39,775,367
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	39,775,367	39,775,367
(c)	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) *	40,183,750	39,775,367
(d)	Basic earnings per share (in rupees) (a)/(c)	(230.67)	(64.68)
(e)	Diluted earnings per share (in rupees) (a)/(c)	(228.33)	(64.68)

*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”)

45 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.0.47 millions (Previous year: Rs. 72.93 millions).

46 Leases:

As a Lessee:

The Company had taken office premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2021 aggregated to Rs. 86.48 millions (Previous year: Rs. 80.44 millions) (Refer note 38) which has been included under the head other expenses as ‘Rent’ in the Statement of Profit and Loss. There are future minimum lease payments for the non-cancellable operating lease as per table below.

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than one year	-	35.90
Later than one year and not later than five years	-	4.50

The Company has given certain portion of the building on cancellable and non-cancellable operating lease for periods ranging from 12 months to 60 months, the details of which are given below:

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

47 Leases (continued):

Reconciliation of Lease commitment with opening lease liability

Measurement of lease liability	Amount
Opening lease commitment disclosed as at 31 March 2019	13.28
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(0.95)
Less: Short Term Lease	-
Less: low value Lease	-
Lease payments relating to renewal periods not included in operating lease commitments as on 31st March 2019	-
Change in lease term under Ind AS 116	151.13
Lease liability recognised as at 1 April 2019	163.46

The change in accounting policy affected following items in the balance sheet as on 1 April 2019

Particulars	Amount
Lease liability - Increase by	163.46
PPE - ROU - Increase by	139.53
Deferred tax asset - Increase by	8.36
Net impact on retained earnings on 1 April 2019 - Decreased by	15.57

Other disclosures

Particulars	% / Years / Amount
Incremental borrowing rate of Company (in %)	12.00%
The leases have a life of between (in years)	2.75 to 5.5
The total lease payment for the year (in amount)	87.41
Lease rent expenses recognised in P&L for short term lease (in amount)	34.05

Particulars	Amount
Depreciation expense of right-of-use assets	73.34
Interest expense on lease liabilities	27.04
Expense relating to short-term leases (included in other expenses)	80.44
Total amount recognised in profit or loss	180.82

As a Lessor:

Lease payments received and recognized in the Statement of Profit and Loss during the year ended 31 March 2021 is Rs. 369.03 millions (Previous year: Rs. 426.48 millions). The future minimum lease payments receivable under non-cancellable operating leases are as follows:

Particulars	As at	As at
	31 March 2021	31 March 2020
Not later than one year	-	-
Later than one year and not later than five years	-	-

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

48 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits:

a) Defined contribution plan (Provident fund and national pension scheme):

An amount of Rs.37.46 millions (Previous year: Rs.59.08 millions) is recognized as expense and included in "Employee benefit expenses" – Note 35 in the statement of profit and loss.

b) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognised in the Statement of Profit and Loss, the funded status and amount recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Expenses recognized in the statement of profit and loss account:

	2021	2020
Current service cost	8.35	14.10
Interest cost	(0.44)	0.10
Expected return on plan asset	-	-
Past service cost	-	-
Actuarial (gain) or loss recognized in the year	-	-
Employer expense	7.91	14.20

Balance sheet

Reconciliation of Defined Benefit Obligation (DBO):

	2021	2020
Present value of DBO at the beginning of the year	74.96	68.59
Acquisition/ (Divesture)	-	-
Transfer in / (out)	(11.84)	(4.71)
Interest cost	3.72	4.47
Current service cost	8.35	14.10
Benefits paid	(15.52)	(6.92)
Past service cost	-	-
Actuarial (gain)/loss on obligation	(6.44)	(0.57)
Present value of DBO at the end of the year	53.23	74.96

Reconciliation of fair value of plan assets:

	2021	2020
Fair value of plan assets at the beginning of the year	70.80	63.96
Interest income on plan assets	4.17	4.37
Contributions	15.52	13.77
Benefits paid	(15.52)	(6.92)
Actuarial gain/(loss) on plan assets	11.10	(4.38)
Fair value of plan assets at the end of the year	86.07	70.80

Notes to the financial statements (continued)

(Currency: Rupees in millions)

48 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits (continued):

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

Particulars	2021	2020	2019	2018	2017
Present value of defined benefit obligation	53.23	74.96	68.59	4.55	11.74
Fair value of plan assets at the end of the year	86.07	70.80	63.96	14.80	14.26
Amount recognised in balance sheet – (asset)/liability	(32.84)	4.16	4.63	(10.25)	(2.52)

Experience adjustments:

Particulars	2021	2020	2019	2018	2017
On plan liabilities: (gain)/ loss	(6.10)	(4.76)	5.33	(0.53)	(1.22)
On plan assets: gain/ (loss)	-	-	-	-	-
Estimated contribution for next year	-	4.00	4.50	-	-

Principal actuarial assumptions at the balance sheet date:

	2021	2019
Discount rate	5.00%	5.90%
Salary escalation	7%	7%
Employee attrition rate	25%	13% - 25%
Expected return on plan assets	5.90%	7.00%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Sensitivity analysis:

DBO increases / (decreases) by	March-21	March-20
Increase of 1% in Salary Growth Rate	1.91	4.11
Decrease of 1% in Salary Growth Rate	(1.86)	(3.80)
Increase of 1% in Discount Rate	(1.87)	(3.80)
Decrease of 1% in Discount Rate	1.96	4.19
Increase of 1% in Attrition Rate	(0.14)	(0.21)
Decrease of 1% in Attrition Rate	0.15	0.22
Mortality (Increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (Increase in expected lifetime by 3 years)	0.01	0.01

Percentage Break-down of Total Plan Assets:

	2021	2020
Insurer Managed Funds (Unit-linked)	95.70%	98.40%
Cash and Bank	4.30%	1.60%

49 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, Company has accepted such cross charge and recognised the same under the employee cost. Current year charge of Rs. **19.55** millions (previous year release of Rs. 20.19 millions).

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

50 Cost sharing and other recoveries:

Cost sharing:

Edelweiss Financial Services Limited, being the Holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group Mediclaim, etc. which is for the common benefit of itself and its 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 35 and 37 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 29 as Business support services income relates to amount recovered from these entities for the said services.

Other recoveries:

The income in note 32 relates to amount recovered from the holding Company, subsidiaries, fellow subsidiaries, for occupying office premises in the Company's building.

51 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:

Particulars	31 March 2021		31 March 2020	
	Amount outstanding	Maximum Amount o/s during the year	Amount outstanding	Maximum Amount o/s during the year
<i>Short term loans-Subsidiary</i>				
- EC Commodity Limited	1,269.02	1,536.68	360.85	1,232.70
- Edelweiss Housing Finance Limited			-	2,348.56
- Edelweiss Comtrade Limited	10.97	44.97	26.53	523.99
- Edelweiss Investment Adviser Limited*	11,366.92	11,366.92	9,714.52	10,714.52
<i>Short term loan-Holding Company</i>				
- Edelweiss Financial Services Limited	-	767.37	719.08	3,727.97
- Edel Finance Company Limited	5,000.00	5,366.65	-	-

*Refer note no 60 Credit Quality of loans.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

52 Details of dues to micro enterprise and small enterprise:

Trade Payables includes Rs.0.23 million (Previous year: Rs. 7.07 million) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act. The afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

Details of dues to micro and small enterprises as defined under the MSMED Act ,2006

Particulars	31 March 2021	31 March 2020
The principal amount and interest due thereon remaining unpaid to any supplier as at end of accounting year		
Principal amount due to micro and small enterprises	0.23	7.07
Interest due on above	-	-
Total	0.23	7.07
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

53 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. 5.10 millions (Financial Year 19-20 Rs. 17.57 millions)
- ii) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	3.50 (17.57)	- -	3.50 (17.57)

Notes:

1. Figures in the bracket are in respect of previous year.

54 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. Key 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 (b) 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.

Particulars	As at 31 March 2021	As at 31 March 2020
Total Debt	38,490.39	44,583.27
Equity	4,537.72	4,201.61
Net Debt to Equity	8.48	10.61

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

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.

Company is exposed to credit risk on mutual fund investments, however these investments are not subjected to Ind AS 109 impairment requirements as they are measured at FVTPL. The carrying value of these investments, under Ind AS 109 represents the Company's maximum exposure to credit risk on financial instruments not subject to the Ind AS 109 impairment requirements on the respective reporting dates.

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

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.

Probability of Default (PD)

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.

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

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 (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach	Total
Impairment allowance as on 1 April 2020	355.75
Additions / (reductions) during the year	17.52
Impairment allowance as on 31 March 2021	373.27

Trade Receivables Ageing and Expected Credit loss (ECL):

Year ended	Days past due	0-90days	91-180 days	181-270 days	270- 360 days	more than 360 days	Total
31-Mar-21	ECL rate	10.76%	29.74%	27.14%	17.68 %	98.04%	77.41 %
	Gross	152.96	35.62	23.45	20.06	357.99	590.08
	ECL	(7.32)	(7.67)	(6.11)	(1.22)	(350.95)	(373.27)
	Net	145.64	27.95	17.34	18.84	7.04	216.81
31-Mar-20	Gross	521.99	132.93	49.49	29.03	409.22	1,142.66
	ECL	(5.19)	(8.57)	(11.05)	(7.15)	(323.79)	(355.75)
	Net	516.80	124.36	38.44	21.88	85.43	786.91

Note: While calibrating matrix, the Company has never experienced any historical credit loss on receivables within the Group entities.

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

Collateral held and other credit enhancements

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 March 2021	31 March 2020	Principal type of collateral
Financial assets			
Retail Loans	1.30	5.23	<i>No Collateral</i>
Wholesale loans- Credit Substitutes	1,361.43	1,274.86	<i>Equity shares for March 21 & 20</i>
ICD External	1,114.07	1,114.07	<i>No Collateral</i>
Wholesale loans- Group Loan	27,447.40	22,807.40	<i>No Collateral</i>
Trade receivables-Secured	102.84	114.88	<i>Agri Stock</i>
Trade receivables-Others	487.24	1,027.78	<i>Unsecured</i>
Debt instruments at amortised cost	2,126.26	2,129.67	<i>No Collateral</i>
Other Financial Assets	336.94	403.98	<i>No Collateral</i>
Total financial assets at amortised cost	32,977.48	28,877.87	
Financial assets at FVTPL Stock in trade- except MF	1,626.40	748.57	<i>No Collateral</i>
Total financial instruments at fair value through profit or loss	1,626.40	748.57	
Total Financial assets	34,603.88	29,626.44	
Financial guarantee contracts*	2,656.50	37,954.10	<i>No Collateral</i>
Other commitments	2,656.50	37,954.10	
Total	37,260.38	67,580.54	

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

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

31 March 2021	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	1,361.43	1,301.43	60.00	765.43
Inter corporate deposit	1,114.07	1,114.07	-	-
Total financial assets at amortised cost	2,475.50	2,475.50	60.00	765.43
Financial guarantee contracts*	2,656.50	-	2,656.50	-
Total	5,132.00	2,415.50	2,716.50	765.43

31 March 2020	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	1,274.86	655.02	619.84	619.84
Inter corporate deposit	1,114.07	620.45	493.62	-
Total financial assets at amortised cost	2,388.93	1,275.47	1,113.46	619.84
Financial guarantee contracts*	37,954.10	-	37,954.10	-
Total	40,343.03	1,275.47	39,067.56	619.84

* Refer note no 54 on Collateral held and other credit enhancements

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

d) Liquidity Risk:

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of:

- Possibility that the Company could be required to pay its trade payables earlier than expected.
- Mismatch in maturity profile of assets and liabilities
- 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):

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

The Company also has undrawn borrowing facilities amounting to Rs. Nil millions as on 31 March 2021 (as on 31 March 2020: Rs. 500.00 millions)

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

Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative 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.

As at 31 March 2021	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Trade payables	-	446.75	-	-	-	446.75
Debt securities	2,867.42	5,087.37	13,180.50	5,182.10	8,328.48	34,645.87
Borrowings (other than debt securities)	-	2,433.04	-	-	-	2,433.04
Deposits	-	-	-	-	-	-
Subordinated financial liabilities	-	-	-	2,047.86	-	2,047.86
Other financial liabilities	320.67	62.26	1.28	825.71	-	1,209.92
Total undiscounted non-derivative financial liabilities	3,188.09	8,029.42	13,181.78	8,055.67	8,328.48	40,783.44

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

As at 31 March 2020	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Trade payables	-	449.15	-	-	-	449.15
Debt securities	5,458.44	939.76	4,014.70	27,660.99	8,903.98	46,977.87
Borrowings (other than debt securities)	-	3,793.34	-	-	-	3,793.34
Deposits	-	-	-	-	-	-
Subordinated financial liabilities	-	-	447.61	1,849.73	-	2,297.34
Other financial liabilities	5.83	61.00	-	825.73	235.61	1,128.17
Total undiscounted non-derivative financial liabilities	5,464.27	5,243.25	4,462.31	30,336.45	9,139.59	54,645.87

Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial assets.

As at 31 March 2021	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	323.59	39.37	31.00	17.17	27.38	438.51
Stock in trade	0.02	1,553.24	67.53	30.53	42.61	1,693.93
Trade receivables	-	108.85	107.96	-	-	216.81
Loans	-	1.08	11,292.97	10,279.89	-	21,573.94
Investments at fair value through profit or loss	111.93	-	1.00	2,299.54	-	2,412.47
Investments at amortised cost	-	-	-	-	2,120.60	2,120.60
Other financial assets	0.03	289.52	1.73	45.66	-	336.94
Total	435.57	1,992.06	11,502.19	12,672.79	2,190.59	28,793.20

As at March 31, 2021, cumulative assets maturing in the next one year are Rs. 25,350.00 millions cumulative liabilities maturing in the next one year are Rs.22,210.00 millions. Based on the stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the next one year. Management assessments of such stress testing included recoveries from sale of its investments and properties, scheduled recovery from group company receivables, expected borrowing and future cash flows that will be generated from operations. Further, during the quarter, Edel Finance Company Limited, the holding company has infused equity capital amounting to Rs.9,500.00 millions into the Company. The holding company represents that it will continue to provide operating and financial support to the Company. The Board of Directors have approved the business plan, the liquidity, asset liability management of the Company and that the Company will be able to repay its debts as scheduled.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

Analysis of non-derivative financial assets by remaining contractual maturities (continued)

As at 31 March 2020	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	4,171.64	48.39	13.42	17.19	33.66	4,284.30
Stock in trade	147.64	-	73.83	202.52	389.58	813.57
Trade receivables	-	431.16	355.75	-	-	786.91
Loans	-	-	9,567.85	12,738.32	-	22,306.17
Investments at fair value through profit or loss	-	-	35.44	953.72	-	989.16
Investments at amortised cost	-	-	-	-	2,124.01	2,124.01
Other financial assets	7.25	289.21	6.33	101.19	-	403.98
Total	4,326.53	768.76	10,052.62	14,012.94	2,547.25	31,708.10

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

e) Market risks

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 price risk. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

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.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

Currency	2020-21					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	Nil	-	5	Nil	-

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

Currency	2019-20					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	114.93	-	5	(114.93)	-

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.

Impact on	2020-21					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Mutual Funds	5	3.38	-	5	(3.38)	-

Impact on	2019-20					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Mutual Funds	5	3.25	-	5	(3.25)	-

Notes to the financial statements (continued)

(Currency: Rupees in millions)

54 Risk Management framework (continued):

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	2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt Securities	0.25	0.30	-	0.25	(0.30)	-

Impact on	2019-20					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt Securities	0.25	6.29	-	0.25	(6.29)	-

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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 analyses 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 March 2021			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Total derivative financial instruments				
Stock in trade				
Other debt securities and preference shares	1,383.45	5.04	-	1,388.49
Mutual fund units	67.53	-	-	67.53
Equity instruments	0.03	-	-	0.03
Nifty linked debentures	-	-	237.88	237.88
Total Stock in trade	1,451.01	5.04	237.88	1,693.93
Investments				
Debt securities	-	-	-	-
Equity instruments	-	-	1.00	1.00
Investments in Funds	-	-	598.01	598.01
Investment in Tech fund	-	-	199.35	199.35
India Credit Investment Fund II	-	-	1,502.18	1,502.18
Others	-	-	111.93	111.93
Total investments measured at fair value	-	-	2,412.47	2,412.47
Total financial assets measured at fair value on a recurring basis	1,451.01	5.04	2,650.35	4,106.40
Property, Plant and Equipment at FVTOCI				
Land and Building	-	-	2,249.18	2,249.18
Grand Total	1,451.01	5.04	4,899.53	6,355.58

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

55 Fair value measurement (continued):

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Total derivative financial instruments				
Stock in trade				
Other debt securities and preference shares	467.19	117.56	-	584.75
Mutual fund units	65.00	-	-	65.00
Equity instruments	0.33	-	-	0.33
Nifty linked debentures	-	-	163.49	163.49
Total Stock in trade	532.52	117.56	163.49	813.57
Investments				
Debt securities				
Equity instruments			35.44	35.44
Investments in Funds			595.98	595.98
Investment in Tech fund			205.09	205.09
Others	-	-	152.65	152.65
Total investments measured at fair value	-	-	989.16	989.16
Total financial assets measured at fair value on a recurring basis	532.52	117.56	1,152.65	1,802.73
Property, Plant and Equipment at FVTOCI				
Land and Building	-	-	2,372.32	2,372.32
Grand Total	532.52	117.56	3,524.07	4,175.05

Notes to the financial statements (continued)

(Currency: Rupees in millions)

55 Fair value measurement (continued):

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 and units of Alternative Investment Funds

The majority of equity instruments are actively traded on recognized 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 recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Derivatives

The Company enters into derivative financial instruments with various counterparties, 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.

Company uses valuation models. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Company classify these embedded derivatives as level 3 instruments

Notes to the financial statements (continued)

(Currency: Rupees in millions)

55 Fair value measurement (continued):**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. For the remaining financial assets and financial liabilities measured at amortised cost, the carrying amount approximates the fair value.

Particulars	31 March 2021				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	10,279.89	10,279.89	-	-	10,279.89
Investments at amortised cost	2,120.60	2,120.60	-	-	2,007.46
Total	12,400.49	12,400.49	-	-	12,287.35
Financial liabilities					
Debt securities	34,009.48	34,109.37	-	-	34,109.37
Total	34,009.48	34,109.37	-	-	34,109.37

Particulars	31 March 2020				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	12,738.32	12,727.76	-	-	12,727.76
Investments at amortised cost	2,124.01	1,318.39	-	1,318.39	-
Total	14,862.33	14,046.15	-	1,318.39	12,727.76
Financial liabilities					
Debt securities	38,492.59	38,697.42	-	-	38,697.42
Total	38,492.59	38,697.42	-	-	38,697.42

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2021 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Notes to the financial statements (continued)

(Currency: Rupees in millions)

55 Fair value measurement (continued):

d) Movement in financial instrument 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					Total
	Investments in units of AIF	Investments in unquoted equity shares (including share warrants)	Other investments classified as FVTPL	Debt Instruments classified as FVTPL	Nifty Linked Debentures	
At 1 April 2020	801.07	188.09	-	-	163.49	1,152.65
Purchase	1,590.67	-	-	-	3,312.12	4,902.79
Sales	-	-	-	-	3,832.69	3,832.69
Gains / (losses) for the period (2020-21) recognised in profit or loss	(92.20)	(75.15)	-	-	594.97	514.42
At 31 March 2021	2,299.54	112.94	-	-	237.89	2,737.17
Unrealised gains / (losses) related to balances held at the end of the period	266.06	(75.15)	-	-	3.10	355.98

Particulars	Financial assets					Total
	Investments in units of AIF	Investments in unquoted equity shares	Other investments classified as FVTPL	Debt Instruments classified as FVTPL	Nifty Linked Debentures	
At 1 April 2019	716.18	105.19	406.50	4,598.22	596.46	6,422.55
Purchase	-	150.90	-	-	14,376.42	14,527.32
Sales	218.79	51.78	412.28	4,585.31	12,485.20	17,753.36
Gains / (losses) for the period (2019-20) recognised in profit or loss	303.68	(16.22)	5.78	(12.91)	(2,324.19)	(2,043.86)
At 31 March 2020	801.07	188.09	-	-	163.49	1,152.65
Unrealised gains / (losses) related to balances held at the end of the period	295.39	(23.37)	-	-	3.22	275.24

Notes to the financial statements (continued)

(Currency: Rupees in millions)

55 Fair value measurement (continued):

e) Unobservable inputs used in measuring fair value categorized within Level 3

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of Financial Instruments	Fair value of asset as on 31 March 2021	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	237.88	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Market index curve	5%	6.80	5%	(6.80)
			Risk -adjusted discounted rate 4.5% - 6%	1%	0.80	1%	(0.80)
Investments in units of AIF	2,299.54	Net Assets Approach	Fair value of underlying investments	5%	119.31	5%	(119.31)
Investments in unquoted equity shares (including share warrants)	112.94	Comparable transaction and P/E and discounted cashflow	Fair value per share	5%	5.64	5%	(5.64)
Total	2,650.36				131.76		(131.76)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

55 Fair value measurement (continued):

Type of Financial Instruments	Fair value of asset as on 31 March 2020	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	163.49	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Market index curve	5%	0.09	5%	(0.07)
			Risk -adjusted discounted rate 4.5% - 6%	1%	0.04	1%	(0.04)
Investments in units of AIF	801.07	Net Assets Approach	Fair value of underlying investments	5%	40.05	5%	(40.05)
Investments in unquoted equity shares (including share warrants)	188.09	Comparable transaction and P/E and discounted cashflow	Fair value per share	5%	9.40	5%	(9.40)
Total	1,152.65				49.58		(49.56)

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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.

Particulars	31 March 2021					Fair value of liability
	Notional		Fair value of asset	Notional		
	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 57 - offsetting disclosure)	Number of currency units	-	-	Number of currency units	-	
Total Derivative Financial Instruments			-		-	-

Particulars	31 March 2020					Fair value of liability
	Notional		Fair value of asset	Notional		
	Unit	Notional amount*		Unit	Notional amount*	
(i) Currency derivatives						
-Currency Futures	Number of currency units	30.00	29.14	Number of currency units	-	
Less: Amount offset (refer note 57 - offsetting disclosure)	Number of currency units	-	(29.14)	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 (continued)

(Currency: Rupees in millions)

57 Offsetting:

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet.

Financial assets subject to offsetting

At 31 March 2021	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	-	-	-	-	-	-	-

At 31 March 2020	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	29.14	29.14	-	-	-	-	-

Notes to the financial statements (continued)

(Currency: Rupees in millions)

57 Offsetting (continued):

Financial liabilities subject to offsetting

At 31 March 2021	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	-	-	-	-	-	-	-

At 31 March 2020	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	-	-	-	-	-	-	-

* As at the reporting date, the amount of cash margin received has been offset against the gross derivative assets. Similarly, the amount of cash margin paid has also been offset against the gross derivative liabilities.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

58 Investments:

As at 31 March 2021

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	-	-	-	-	-	4,369.39	4,369.39
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(iv) Other group companies							
a) Equity	-	-	-	-	-	467.61	467.61
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	627.27	627.27
(v) Preference shares	-	-	-	-	-	-	-
(vi) Others - Investment in Partnership Firm Group	-	-	-	-	-	6.76	6.76
(vii) Share warrants	-	-	154.47	-	154.47	-	154.47
(viii) Others - Investment in Funds	-	-	598.01	-	598.01	-	598.01
(ix) Others - Units of Tech Fund	-	-	199.35	-	199.35	-	199.35
(x) Others - Units of India Credit Investment Fund II	-	-	1,588.97	-	1,588.97	-	1,588.97
(xi) investment in compulsory convertible instruments (CCPS CCDS)	-	-	-	-	-	4,600.01	4,600.01
TOTAL - Gross (A)	2,126.26	-	2,541.80	-	2,541.80	10,071.04	14,739.10
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	2,126.26	-	2,541.80	-	2,541.80	10,071.04	14,739.10
Total (B)	2,126.26	-	2,541.80	-	2,541.80	10,071.04	14,739.10
Less: Allowance for impairment (C)	5.66	-	129.34	-	129.34	1,524.53	1,659.53
Total Net (A-C)	2,120.60	-	2,412.46	-	2,412.46	8,546.51	13,079.57

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

As at year end, the Company had an equity investment of Rs. 1,000.10 millions in Edelweiss Investments Adviser Limited ("EIAL"), a wholly holding owned subsidiary. Over the few years, EIAL's business faced operational challenges and risk on certain counterparties increased leading to increased expected credit losses. These challenges were further accentuated by the ongoing COVID pandemic. Following a detailed assessment, the Company has provided towards impairment loss of Rs.1,000.10 millions (PY : Nil) on investment in EIAL during the year ended

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

58 Investments (continued):

March 31, 2021. The Board of Directors of the Company have approved the impairment loss and amount recoverable as at March 31, 2021.

As at 31 March 2020	At fair value	Subtotal 5 = (2+3+4)	At cost * (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)			
					Particulars	At Amortised cost (1)	Through OCI (2)
(i) Debt securities	2,129.67	-	-	-	-	-	2,129.67
(ii) Equity instruments	-	-	35.44	-	35.44	-	35.44
(iii) Subsidiaries							
a) Equity	-	-	-	-	-	4,369.29	4,369.29
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(iv) Other group companies							
a) Equity	-	-	-	-	-	4,333.14	4,333.14
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	1,508.61	1,508.61
(v) Preference shares	-	-	-	-	-	-	-
(vi) Others - Investment in Partnership Firm Group	-	-	-	-	-	4.40	4.40
(vii) Share warrants	-	-	152.65	-	152.65	-	152.65
(viii) Others - Investment in Funds	-	-	595.98	-	595.98	-	595.98
(ix) Others - Units of Tech Fund	-	-	205.09	-	205.09	-	205.09
TOTAL - Gross (A)	2,129.67	-	989.16	-	989.16	10,215.44	13,334.27
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	2,129.67	-	989.16	-	989.16	10,215.44	13,334.27
Total (B)	2,129.67	-	989.16	-	989.16	10,215.44	13,334.27
Less: Allowance for impairment (C)	5.66	-	-	-	-	200.00	205.66
Total Net (A-C)	2,124.01	-	989.16	-	989.16	10,015.44	13,128.61

Notes to the financial statements (continued)

(Currency: Rupees in millions)

58 Income Tax:

The components of income tax expense.

Particulars	2020-21	2019-20
Current tax	-	-
Adjustment in respect of current income tax of prior years	(24.15)	(44.13)
Deferred tax relating to origination and reversal of temporary differences	299.86	(1,389.89)
Total tax charge	275.71	(1,434.02)

Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge 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 2021 and 2020 is, as follows:

Particulars	2020-21	2019-20
Accounting (Loss)/ profit before tax as per financial statements	(8,899.60)	(4,006.64)
Tax rate (in percentage)	34.944%	34.944%
Income tax expense calculated based on this tax rate	(3,109.87)	(1,400.08)
Adjustment in respect of current income tax of prior years	(24.15)	(44.13)
Others -share of partnership firm / dividend Income	(1.73)	(0.83)
Penalties	-	1.22
Preference shares cost	32.74	57.45
Standard Deduction and Property Tax on House Property Income	(3.39)	4.90
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	3,380.88	(58.03)
Others (including Tax Rate changes)	1.23	5.48
Tax charge for the year recorded in P&L	275.71	(1,434.02)

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.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

59 Deferred Tax:

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Property, Plant and Equipment	(605.05)	38.55	24.39	(24.53)	-	-	38.41	(566.64)
Stock in trade & Investments	(47.82)	(52.24)	-	-	-	-	(52.24)	(100.06)
Employee benefits obligations	24.50	2.41	(6.13)	-	-	-	(3.72)	20.78
Fair valuation of Derivatives	(10.18)	10.18	-	-	-	-	10.18	-
Borrowings	(124.52)	(29.92)	-	-	-	-	(29.92)	(154.44)
Loans given	1,136.07	(159.90)	-	-	-	-	(159.90)	976.17
ESOP cost	-	-	-	-	-	-	-	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	411.21	(207.80)	-	-	-	-	(207.80)	203.41
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	485.09	96.83	-	-	-	-	96.83	581.92
Reversal of fee income	86.80	-	-	-	-	-	-	86.80
Capitalised borrowing costs on building	(34.72)	3.85	-	-	-	-	3.85	(30.87)
Others (share issuance expenses, lease equalisation reserve etc)	1.72	(1.82)	-	-	-	-	(1.82)	(0.10)
Total	1,323.10	299.86	18.26	(24.53)	-	-	(306.13)	1,016.97

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

59. Deferred Tax (continued):

	Movement for the period (2019-20)						Total movement	Closing deferred tax asset / (liability) as per Ind AS
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Property, Plant and Equipment	(112.59)	39.67	(540.49)	8.36	-	-	(492.46)	(605.05)
Stock in trade & Investments	(241.00)	193.18	-	-	-	-	193.18	(47.82)
Employee benefits obligations	23.51	(0.34)	1.33	-	-	-	0.99	24.50
Fair valuation of Derivatives	1.47	(11.65)	-	-	-	-	(11.65)	(10.18)
Borrowings	(127.03)	2.51	-	-	-	-	2.51	(124.52)
Loans given	398.40	737.67	-	-	-	-	737.67	1,136.07
ESOP cost	-	-	-	-	-	-	-	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	41.17	370.04	-	-	-	-	370.04	411.21
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	427.17	57.92	-	-	-	-	57.92	485.09
Share of profit from partnership firm	-	-	-	-	-	-	-	-
Reversal of fee income	86.80	-	-	-	-	-	-	86.80
Capitalised borrowing costs on building	(34.72)	-	-	-	-	-	-	(34.72)
Others (share issuance expenses, lease equalisation reserve etc)	0.83	0.89	-	-	-	-	0.89	1.72
Total	464.01	1,389.89	(539.16)	8.36	-	-	859.09	1,323.10

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: 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 54 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 54.

Particulars	31 March 2021			31 March 2020		
	At amortised cost	At FVTPL	Total	At amortised cost	At FVTPL	Total
Loans						
Corporate & retail loan	29,924.20	-	29,924.20	25,201.56	-	25,201.56
Gross Total	29,924.20	-	29,924.20	25,201.56	-	25,201.56
Less: Impairment loss allowance *	8,350.26	-	8,350.26	2,895.39	-	2,895.39
Net Loans	21,573.94	-	21,573.94	22,306.17	-	22,306.17

*Included in loans and advances an amount of Rs.11,366.91 million receivable as at March 31, 2021 from Edelweiss Investments Adviser Limited ("EIAL") and Rs 1,269.02 million from EC Commodity Limited ("ECCL"), wholly owned subsidiaries of the Company. 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. Such challenges have been further accentuated by factors caused by ongoing COVID pandemic. EIAL and ECCL management has performed detailed assessments of its current and future business plans and on that basis has provided expected credit loss amounting to Rs. 4,330.00 million (PY: 1,600 million) on loans and advances. The Board of Directors of the Company has reviewed and approved business plan, impairment loss and assessment of amount recoverable as at March 31,2021

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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

Particulars	31 March 2021				31 March 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	27,448.70	-	-	27,448.70	22,812.68	-	-	22,812.68
Standard grade	-	-	-	-	-	-	-	-
Substandard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	2,475.50	2,475.50	-	-	2,388.88	2,388.88
Total	27,448.70		2,475.50	29,924.20	22,812.68	-	2,388.88	25,201.56

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

60 Credit Quality (continued):

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		
As at 1 April 2020	22,812.68	1,619.92	-	-	2,388.88	1,275.47	25,201.56	2,895.39
Transfers:	-	-	-	-	-	-	-	-
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net new and further lending/ (repayments)	4,636.02	4,314.83	-	-	86.62	1,140.04	4,722.64	5,454.87
Amounts written off (net)	-	-	-	-	-	-	-	-
As at 31 March 2021	27,448.70	5,934.75	-	-	2,475.50	2,415.51	29,924.20	8,350.26

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

60. Credit Quality (continued):

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL		
As at 1 April 2019	21,466.27	134.92	2,722.59	77.71	542.43	270.29	24,731.29	482.92
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(516.95)	(123.80)	(2,722.59)	(77.71)	3,239.54	201.51	-	-
Net new and further lending/ repayments	1,863.36	1,608.80	-	-	(850.66)	1,073.96	1012.70	2,682.76
Amounts written off	-	-	-	-	(542.43)	(270.29)	(542.43)	(270.29)
As at 31 March 2020	22,812.68	1,619.92	-	-	2,388.88	1,275.47	25,201.56	2,895.39

Notes to the financial statements (continued)

(Currency: Rupees in millions)

61 Other Disclosures:

i) Change in liabilities arising from financing activities

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

Particulars	1 April 20	Cash flows	Finance costs during the year	31 March 21
Debt securities	38,492.59	(8,074.35)	3,591.25	34,009.48
Borrowings other than debt securities	3,793.34	(2,051.58)	691.28	2,433.04
Deposits	-	-	-	-
Subordinated liabilities	2,297.34	(500.00)	250.52	2,047.86
Total liabilities from financing activities	44,583.27	(10,625.93)	4,533.05	38,490.38

Particulars	1 April 19	Cash flows	Finance costs during the year	31 March 20
Debt securities	48,503.37	(14,039.85)	4,029.07	38,492.59
Borrowings other than debt securities	1,327.20	1513.17	952.97	3,793.34
Deposits	33.98	(34.78)	0.80	0.00
Subordinated liabilities	1,799.85	381.59	115.90	2,297.34
Total liabilities from financing activities	51,664.40	(12,179.87)	5,098.74	44,583.27

ii) 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 2021

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	188.84
Service transferred over time	Enterprise cost sharing	1,016.99
Total revenue from contract with customers		1,205.83

For the year ended 31 March 2020

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	302.33
Service transferred over time	Enterprise cost sharing	1,457.18
Total revenue from contract with customers		1,759.51

Notes to the financial statements (continued)

(Currency: Rupees in millions)

62 Estimation of uncertainties relating to the global health pandemic from COVID-19

The COVID-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. The Indian Government too has imposed lockdowns starting from March 24, 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic, including the current “second wave” on Company’s financial statements, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI, and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor material changes in markets and future economic conditions.

Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: 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 13 November 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 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirements of Schedule III, unless otherwise stated.

65 Previous year comparatives

Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current year's presentation / classification.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.301003E/E300005

For and on behalf of the Board of Directors

Edelweiss Rural & Corporate Services Limited

per Shrawan Jalan

Partner

Membership No.: 102102

Ananya Suneja

Director

DIN.: 07297081

Santosh Dadheech

Executive Director

DIN.: 00196204

Manoj Sharma

Chief Financial Officer

Rupa Agarwal

Company Secretary

Mumbai

June 10, 2021

Mumbai

June 10, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Rural & Corporate Services Limited

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of Edelweiss Rural & Corporate Services Limited (hereinafter referred to as "the Company" or "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group 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 consolidated financial statements.

Emphasis of Matter

We draw attention to note 64 to the consolidated financial statements, which describes the uncertainty caused by continuing impact of Novel Coronavirus (COVID-19) pandemic with respect to the Group's estimates of impairment of loans and investments, and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated 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 consolidated 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 consolidated financial statements. The results of audit procedures performed by us , including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><u>Impairment of financial instruments (expected credit losses)</u> (as described in Note 53(c) of the consolidated financial statements)</p>	
<p>Ind AS 109 requires the Group 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 Group’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 Group’s loan portfolio. <p>Impact of COVID-19</p> <p>Considering the evolving nature of the COVID-19 pandemic, which has continued to impact the Group’s business operations, resulting in higher loan</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Read and assessed the Group’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 (including COVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Group in spreadsheets. • Assessed disclosures included in the consolidated financial statements in respect of expected credit losses including the specific disclosures made with regards to the management’s evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

Key audit matters	How our audit addressed the key audit matter
<p>losses, the Group has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by the pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate requires to takes into account reasonable and supportable information.</p> <p>In view of the high degree of management’s judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is a key audit matter.</p>	
(a) Information technology (IT) systems and controls	
<p>The reliability and security of IT systems play a key role in the business operations, financial accounting and reporting process of the Group. 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. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
<p>3. Third party stock held by the Company <i>(as described in Note 43 of the consolidated financial statements)</i></p>	
<p>The Company, as a part of its agriculture commodity business, deals with third party stock. The stock is stored at the Company’s warehouses for which the Company is entitled to a fee income.</p>	<ul style="list-style-type: none"> • Obtained and read approved standard operating procedures manual of the Company for physical verification of third party stock • Tested controls around inward and outward movement of third party stock

Key audit matters	How our audit addressed the key audit matter
<p>The Company is responsible for safe keeping of third party stock at its warehouse.</p> <p>Considering the significant risk involved on account of damage or loss of third party stock and resultant impact on the Company's financial statements in the form of liability to reimburse the losses, this area has been identified as key audit matter.</p>	<ul style="list-style-type: none">• Obtained on sample basis physical verification reports performed by the internal audit team of management and reconciled the closing third party stock with the stock register as at that date• Performed physical verification on sample basis of a third party stock and reconciled with the stock register as at that date• Evidenced on a sample basis, physical verification of third party stock using management appointed external consultants through use of technology i.e. video call facility and reconciled the closing third party stock with the stock register as at that date• Obtained necessary information and explanation in respect of instances where discrepancies were noted on physical verification of third party stock as compared to stock register as at that date

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

The Holding 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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 and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Holding 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or

business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, whose financial statements include total assets of Rs 8,190.01 million as at March 31, 2021, and total revenues of Rs 799.87 million and net cash outflows of Rs 36.24 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. These financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated financial statements;

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India to their 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 42 to the consolidated financial statements;

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2021.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 21102102AAAELD1335

Place of Signature: Mumbai

Date: September 17, 2021

Annexure 1 to the Independent Auditor's report of even date on the consolidated 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")

In conjunction with our audit of the consolidated financial statements of Edelweiss Rural & Corporate Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Holding Company's internal financial controls with reference to consolidated 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, 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 4 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 21102102AAAELD1335

Place of Signature: Mumbai

Date: September 17, 2021

Edelweiss Rural & Corporate Services Limited

Consolidated Balance Sheet

(Currency: Indian rupees in millions)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	2,507.38	3,006.79
(b) Capital work in progress		-	105.37
(c) Investment property	2	3,987.99	4,789.30
(d) Goodwill		146.82	146.82
(e) Other Intangible assets	2	15.45	98.55
(f) Intangible assets under development		9.27	1.45
(g) Financial Assets			
(i) Investments	3	11,199.86	9,369.80
(ii) Loans	4	34,467.02	44,932.00
(iii) Other financial assets	5	301.00	150.01
(iv) Other bank balances	6	17.57	37.87
(h) Deferred tax assets (net)	7	1,211.13	1,137.33
(i) Income tax assets (net)	8	891.73	1,027.36
(j) Other non-current assets	9	21.14	29.64
		54,776.36	64,832.29
Current assets			
(a) Inventories	10	-	436.09
(b) Financial Assets			
(i) Stock in trade	11	3,263.43	813.57
(ii) Investments	12	193.36	103.83
(iii) Trade receivables	13	323.92	848.52
(iv) Cash and cash equivalents	14	9,791.40	9,144.61
(v) Bank balances other than cash and cash equivalents	15	990.35	830.10
(vi) Loans	16	20,546.82	18,474.79
(vii) Other financial assets	17	1,382.16	411.73
(c) Current tax assets (net)	18	760.72	682.79
(d) Other current assets	19	545.38	483.31
		37,797.54	32,229.34
TOTAL ASSETS		92,573.90	97,061.63
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	397.75	397.75
(b) Instruments entirely equity in nature	20	9,500.00	-
(c) Other equity	21	(6,068.05)	2,217.48
		3,829.70	2,615.23
Equity attributable to Non-controlling interests		3,868.75	3,852.47
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	35,613.61	61,748.54
(ii) Other financial liabilities	23	4,938.15	3,846.21
(b) Provisions	24	4.20	28.90
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	40,757.00	22,690.11
(ii) Trade payables	26		
Total outstanding dues of micro enterprises and small enterprises		0.23	7.07
Total outstanding dues to creditors other than micro enterprises and small enterprises		526.12	552.95
(iii) Other financial liabilities	27	729.45	136.66
(b) Other current liabilities	28	2,232.05	1,395.04
(c) Provisions	29	46.81	56.03
(d) Current tax liabilities (net)	30	27.83	132.42
TOTAL EQUITY AND LIABILITIES		92,573.90	97,061.63

Significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of

Edelweiss Rural & Corporate Services Limited

per Shrawan Jalan

Partner

Membership No: 102102

Ananya Juneja

Executive Director

DIN.: 007297081

Santosh Dadhech

Executive Director

DIN : 00196204

Manoj Sharma

Chief Financial Officer

Mumbai

17 September 2021

Mumbai

17 September 2021

Edelweiss Rural & Corporate Services Limited

Consolidated Statement of Profit and Loss

(Currency: Indian rupees in millions)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Fee income	31	1,498.74	2,144.72
Interest income	32	8,001.70	10,760.99
Sale of commodities		2,218.41	9,692.96
Other operating revenue	33	765.24	1,409.13
Other income	34	119.68	39.19
Total Income		12,603.77	24,046.99
Expenses			
Purchases of commodities		1794.15	8,337.70
Changes in inventories of commodities		436.09	1,255.23
Loss from treasury operations	35	3,513.00	3,234.56
Employee benefits expense	36	1,704.47	1,909.07
Finance costs	37	9,193.22	9,891.55
Depreciation and amortisation expense	2	826.70	784.37
Impairment on financial instruments	38	1,853.79	1,520.85
Other expenses	39	1,687.88	2,318.05
Total expenses		21,009.30	29,251.38
Loss before tax for the year		(8,405.53)	(5,204.39)
Tax expenses			
(1) Current tax		(64.11)	64.11
(2) Deferred tax		456.76	(827.04)
Loss after tax for the year		(8,798.18)	(4,441.46)
Other Comprehensive Income for the year			
Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans		12.13	(8.88)
Fair value gain / loss - OCI - equity		-	1,120.49
Deferred Tax Charge/ (Benefit)		(5.39)	1.65
Income Tax - OCI - that will not be reclassified		-	(540.49)
Total		6.74	572.77
Total Comprehensive Income		(8,791.44)	(3,868.69)
Loss for the year attributable to:			
Owners of the parent		(8,844.74)	(4,463.47)
Non-controlling interest		46.56	22.01
Other Comprehensive Income attributable to:			
Owners of the parent		7.74	573.26
Non-controlling interest		(1.00)	(0.49)
Total Comprehensive Income attributable to:			
Owners of the parent		(8,837.00)	(3,890.21)
Non-controlling interest		45.56	21.52
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic	45	(221.20)	(148.75)
(2) Diluted		(218.95)	(148.75)

Significant accounting policies

1

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

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

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

per Shrawan Jalan
Partner
Membership No: 102102

Ananya Juneja
Executive Director
DIN.: 007297081

Santosh Dadheech
Executive Director
DIN.:00196204

Manoj Sharma
Chief Financial Officer

Mumbai
17 September 2021

Mumbai
17 September 2021

Edelweiss Rural & Corporate Services Limited

Consolidated Statement of changes in Equity

(Currency: Indian rupees in millions)

Equity share capital

Balance at the end of the reporting period (31 March 2019)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2020)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2021)
397.75	-	397.75	-	397.75

Other Equity

	Reserves and Surplus								Other Comprehensive Income	Total attributable to owners of the parent	Non-Controlling Interests
	Capital Reserve	Reserve under section 29C of the National Housing Bank Act, 1987	Special Reserve under Section 45-1C of the Reserve Bank of India Act, 1934	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	Debenture redemption reserve	Retained earnings	Revaluation Reserve		
Balance at 31 March 2019	(1,159.41)	537.22	52.68	30.00	2,644.51	101.16	2,825.47	170.15	-	5,201.78	3,831.13
Transition impact (net of tax)	-	-	-	-	-	-	-	(22.57)	-	(22.57)	(5.68)
Profit or loss	-	-	-	-	-	-	-	(4,463.47)	-	(4,463.47)	22.01
Other comprehensive income	-	-	-	-	-	-	-	(432.99)	-	(432.99)	(0.49)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(4,896.46)	-	(4,896.46)	21.52
Transfers to / from retained earnings	-	3.12	14.38	-	-	-	-	(17.50)	-	-	-
Transactions with shareholders in their capacity as such - on issuance of preference shares	-	-	-	-	-	-	-	(65.99)	-	(65.99)	-
Effect of change in group's interest	-	-	-	-	-	-	-	994.47	-	994.47	5.50
Revaluation of property, plant & equipment	-	-	-	-	-	-	-	-	1,006.25	1,006.25	-
Any other change	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	(1,159.41)	540.34	67.06	30.00	2,644.51	101.16	2,825.47	(3,837.90)	1,006.25	2,217.48	3,852.47
Profit or loss	-	-	-	-	-	-	-	(8,844.74)	-	(8,844.74)	46.56
Other comprehensive income	-	-	-	-	-	-	-	(953.10)	-	(953.10)	(1.00)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(9,797.84)	-	(9,797.84)	45.56
Deferred tax liability created on opening Reserve under section 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	-	(97.94)	-	(97.94)	-
Transfers to / from retained earnings	-	7.46	13.41	-	-	-	(127.93)	107.06	-	-	(43.85)
Transactions with shareholders in their capacity as such - on issuance of preference shares	-	-	-	-	-	-	-	-	-	-	-
Effect of change in group's interest	-	-	-	-	-	-	-	1,655.66	-	1,655.66	14.57
Revaluation of property, plant & equipment	-	-	-	-	-	-	-	-	(45.41)	(45.41)	-
Balance at 31 March 2021	(1,159.41)	547.80	80.47	30.00	2,644.51	101.16	2,697.54	(11,970.96)	960.84	(6,068.05)	3,868.75

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

Ananya Suneja

Executive Director

DIN.: 007297081

Santosh Dadheech

Executive Director

DIN.:00196204

Manoj Sharma

Chief Financial Officer

Mumbai

17 September 2021

Edelweiss Rural & Corporate Services Limited

Nature and purpose of reserves

Capital reserve

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

Reserve under section 29C of the National Housing Bank Act, 1987

Reserve created under section 29C of National Housing Bank Act, 1987 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

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

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934, a sum not less than twenty per cent of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared.

Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when Group 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 issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

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 Group 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 of the Group's employees have been granted options to acquire equity shares of the ultimate holding 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 holding Company has not recovered such cost from the Group.

Deemed contribution / distribution

For transactions with group companies, where the transaction price is different than the fair value of the concerned financial instrument on the transaction date, the difference is treated as deemed contribution from the group or deemed distribution to the group (as the case may be) and recognized in retained earnings.

Revaluation Reserve

The Group 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
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
21 Other Equity		
Capital Reserve	(1,159.41)	(1,159.41)
Reserve under section 29C of the National Housing Bank Act, 1987	547.80	540.34
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	80.47	67.06
Capital Redemption Reserve	30.00	30.00
Securities Premium Account	2,644.51	2,644.51
Revaluation Reserve through other comprehensive income	960.84	1,006.25
Debenture Redemption Reserve	2,697.54	2,825.47
ESOP Reserve	101.16	101.16
Retained earnings	(11,970.96)	(3,837.90)
	(6,068.05)	2,217.48
Movement in Reserves and surplus		
i. Capital Reserve - Opening balance	(1,159.41)	(1,159.41)
Add : Additions during the year	-	-
Capital Reserve	(1159.41)	(1159.41)
ii. Reserve under section 29C of the National Housing Bank Act, 1987 - Opening balance	540.34	537.22
Add : Additions during the year	7.46	3.12
Reserve under section 29C of the National Housing Bank Act, 1987	547.80	540.34
iii. Special Reserve - Opening balance	67.06	52.68
Add : Additions during the year	13.41	14.38
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	80.47	67.06
iv. Capital Redemption Reserve - Opening balance	30.00	30.00
Add : Additions during the year	-	-
Capital Redemption Reserve	30.00	30.00
v. Securities Premium Account - Opening balance	2,644.51	2,644.51
Add : Additions during the year	-	-
Securities Premium Account	2,644.51	2,644.51
vi. Revaluation Reserve through other comprehensive income - Opening balance	1,006.25	-
Add/Less : movement during the year	(45.41)	1,006.25
Revaluation Reserve through other comprehensive income	960.84	1,006.25
vii. Debenture Redemption Reserve - Opening balance	2,825.47	2,825.47
Add : movement during the year	(127.93)	-
Debenture Redemption Reserve	2,697.54	2,825.47
viii. ESOP reserve - Opening balance	101.16	101.16
Add : Additions during the year	-	-
ESOP Reserve	101.16	101.16
ix. Retained Earnings - Opening Balance	(3,837.90)	170.15
Add: Transactions with shareholders in their capacity as such	-	(65.99)
Add: Deferred tax on ESOP	-	-
Add: Deferred tax on opening res 36(1)(viii)	(97.94)	-
Add: Loss for the year	(8,844.74)	(4,463.47)
Add: Other comprehensive income for the year	(953.10)	(432.99)
Add:- Effect of change in group's interest	1,655.66	994.47
Add: Ind AS adjustments-Lease	-	(22.57)
Amount available for appropriation	(12,078.02)	(3,820.40)
<u>Appropriations:</u>		
Interim dividend	-	-
Dividend on preference shares	-	-
Dividend distribution tax	-	-
Transfer to general reserve	-	-
Transfer to capital redemption reserve	-	-
Transfer to Special Reserve under Section 29C of The National Housing Bank Act, 1987	7.46	3.12
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	13.41	14.38
Transfer to Debenture Redemption Reserve	(127.93)	-
	(107.06)	17.50
Retained earnings	(11,970.96)	(3,837.90)

Edelweiss Rural & Corporate Services Limited

Consolidated Cash Flow Statement

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities		
Profit/(loss) before tax	(8,405.53)	(5,204.39)
Adjustments for		
Impairment on financial instruments (net)	1,853.79	1,520.85
Depreciation and amortisation expense	826.70	784.37
Profit on sale of fixed assets (net)	-	(6.08)
Provision for employee benefits	1.09	(4.15)
Dividend on stock in trade	(6.63)	-
Share of profit from partnership firm	(0.93)	(1.82)
Finance costs	8,956.35	9,780.34
(Profit) / loss on sale of current and non-current investments	3,174.92	1,295.82
Fair valuation (gain) / loss on non-current investments	(90.94)	471.37
Operating cash flow before working capital changes	6,308.82	8,636.31
Changes in working capital		
Decrease in trade receivables	536.49	2,236.63
Decrease in stock in trade	(1,933.99)	8,847.95
Decrease in loans and advances	6,516.67	13,092.59
Decrease in other assets	(1,174.99)	1,776.28
Increase / (decrease) in liabilities and provisions	2,390.26	575.54
Cash generated from operations	12,643.26	35,165.30
Taxes paid (net of refunds)	17.26	(678.60)
Net cash generated from operating activities - A	12,660.52	34,486.70
B Cash flow from investing activities		
(Purchase) / sale of fixed assets (net) (including capital work-in progress)	1,123.04	(1,320.23)
(Purchase) / sale of current and non-current investments (net) (Refer note 1)	(5,214.04)	(4,379.02)
Dividend received	6.63	-
Net cash used in investing activities - B	(4,084.37)	(5,699.25)
C Cash flow from financing activities		
Repayment of loans (net) (Refer note 1)	(12,604.25)	(14,396.66)
Repayment of subordinated liabilities	(17.95)	(114.52)
Repayment of commercial paper (net)	5,120.00	(1,000.00)
Issue of CCD & CCPS	9,500.00	-
Dividend and dividend distribution tax paid	(34.43)	(4.47)
Principal repayment of leases (Ind AS 116)	(370.54)	(105.94)
Interest paid	(9,522.19)	(10,043.65)
Net cash used in from financing activities - C	(7,929.36)	(25,665.24)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	646.79	3,122.21
Cash and cash equivalents as at the beginning of the year	9,144.61	6,022.40
Cash and cash equivalents as at the end of the year	9,791.40	9,144.61

Note:

1 Bank receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.

2 The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows."

Edelweiss Rural & Corporate Services Limited

Consolidated Cash Flow Statement (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
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Note:

3 Component of cash and cash equivalents

Balances with banks	9,791.40	9,144.38
Cash on hand	-	0.23

This is the Consolidated 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

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

per Shrawan Jalan

Partner

Membership No: 102102

Ananya Suneja

Executive Director

DIN.: 007297081

Santosh Dadhech

Executive Director

DIN.:00196204

Mumbai

17 September 2021

Manoj Sharma

Chief Financial Officer

Mumbai

17 September 2021

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements

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 as a private Company. The Company is a subsidiary of Edel Finance Company Limited and Edelweiss Financial Services Limited ('EFSL') being the ultimate parent company. With effect from January 13, 2011, the status of the Company was changed from Private Limited Company to a Public Limited Company and the Registered Office of the Company was shifted from the state of Maharashtra to the state of Telangana.

Company deals in trading of commodities, debt securities, equities and derivatives as part of its treasury activities. The Company has obtained registration under the Real Estate Regulatory Act, 2016 (RERA) to act as a real estate agent in the State of Maharashtra as on June 9, 2017 and in Uttar Pradesh.

1.2 Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements relate to Edelweiss Rural & Corporate Services Limited ('the Company') and its subsidiaries (together 'the Group'). The Group is primarily engaged in (a) agency business which includes Broking, advisory and other fee based services, (b) Capital based business which includes income from treasury, investment income and financing.

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

These consolidated 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 ("FVOCI") instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, which have been measured at fair value. The consolidated financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest million, except when otherwise indicated.

All assets and liabilities have been classified as current and non-current as per the Group'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 Group has considered an operating cycle of 12 months.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

Principles of consolidation

The consolidated financial statements as on 31 March 2021, comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. The Group consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. However, no subsidiaries have followed different accounting policies other than those followed by the Group for the preparation of these consolidated financial statements.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2021.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary, refer note 1.19 for policy on business combination.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. With respect to put options granted by the Group to the holders of non-controlling interests in a subsidiary, where the Group does not have a present ownership interest in the shares subject to put, till the put remains unexercised, non-controlling continues to be recognised including allocation of profit or loss, other comprehensive income and other changes in equity of the subsidiary. However, at each reporting date, the non-controlling interest is derecognised as if it were acquired at that date and a financial liability is recognised and measured at its fair value. The difference between these two amounts is recognised as an equity transaction and attributed to owners of the parent.

Investment in associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but its not control or joint control over those policies.

The subsidiaries considered in the consolidated financial statements.

S. No	Name of the Entity	Country of Incorporation	Proportion of ownership interest as at 31 March 2021
Subsidiaries			
1	EC Commodity Limited	India	100%
2	Edelweiss Comtrade Limited*	India	100%
3	Allium Finance Private Limited	India	55.48 %
4	Edelweiss Housing Finance Limited	India	55.23 %
5	Edelweiss Investment Adviser Limited	India	100.00%

*Edelweiss Comtrade Limited, a subsidiary of the Group has ceased its operation and does not have any business activity planned for future. Accordingly the financial statements for the year have been prepared on a non-going concern basis

1.3 Use of estimates

The preparation of the consolidated 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 consolidated financial statements and the reported revenue and expense during the reporting period. Actual results could differ from the estimates.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

1.4 Revenue recognition

- Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when the Group 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 Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Group 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
- Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, Goods and Service Tax (“GST”), transaction charges and stock exchange expenses.
- 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 Group 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.
- Sales during the course of import by transfer of documents of title i.e. high seas sale of commodities are booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the customs frontiers of India.
- 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 Group’s account in the books of the partnership firm.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

- Dividend income is recognised in profit or loss when the Group'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. The investment manager, in addition to management fee, also receives a performance profit allocation in respect of all classes of units. The incentive fee is calculated at the end of every performance period on a unit-by-unit basis so that each class of unit is charged an incentive fee, which equates fairly with that unit's performance. At the end of each performance period, the incentive fee is calculated as a % of the appreciation in the NAV per class of unit (before accrual or deduction of the incentive fee) over the reference price per class of unit and after accounting for the hurdle rate.
- The trusteeship fee is recognised as mutually agreed between the trustee and the settler

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 Group 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 Group recognises borrowings when funds reach the Group.

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 Group 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.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

Classification of financial instruments

The Group 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 Group 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
- 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.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

Financial assets held for trading

The Group 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 Group 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 Group 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.

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 Group 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 Group 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 Group entity are recognised at the proceeds received, net of direct issue costs.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

Repurchase of the Group'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 Group'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 Group, 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 Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

Derecognition of financial assets and financial liabilities

A transfer only qualifies for derecognition if either:

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

The Group 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

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets

The Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Group 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 Group 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 Group 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 Group 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 down in the future by default date determined based on historical trend, the Group'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 Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group 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 Group 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 Group 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.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

Collateral repossessed

The Group'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 Group's policy.

Write off

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group 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 Group'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.

Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Group 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

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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 Group 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 Group.

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 Group 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 Group has access to at the measurement date. The Group 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Group 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 Group 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.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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 Group. 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 Group 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 Group's gratuity scheme is a defined benefit plan. The Group'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 Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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.

Deferred Bonus

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

1.9 Share-based payment arrangements

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

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

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 Group 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:

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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
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.

Change in accounting policy for land and buildings from 31 March 2020

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.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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.

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 Group 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 Group 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 Stock in Transit

Stock in transit in the form of commodities are stated at cost.

1.14 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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 Group. Claims against the Group, 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.

1.15 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 Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group 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.

1.16 Operating leases

Group as a lessee

The Group 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 Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 Group 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 Group 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.

Group as a lessor

The Group's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Group 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.

1.17 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.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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.

1.18 Receivables from Agency Business

The Group'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 Group 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.

1.19 Business Combination

The acquisition method of accounting is used for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Common controlled business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group'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 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 Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Business model assessment

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

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 Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Determining lease term for lease contracts with renewal and termination option

The Group 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 Group has several lease contracts that include extension and termination options. The Group 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

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

commencement date, the Group 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).

1.21 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 Group 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 Group. 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 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 Group'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 Group'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

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

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

Effective interest rate method

The Group'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.

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 Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group 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 Group expects that there will be sufficient taxable profits to offset these losses.

Estimating the incremental borrowing rate

The Group 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 Group 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.

1.22 Standards issued but not yet effective

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

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

167.54

2 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at 1 April 2020	Additions / adjustments during the year	Deductions /adjustments during the year	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Deductions / adjustments during the year	As at 31 Mar 2021	As at 31 Mar 2021
Property, Plant and Equipment	-	-	-	-	-	-	-	-	-
Land	163.02	-	-	163.02	-	-	-	-	163.02
ROU -leasehold premises	468.10	23.65	191.31	300.44	114.56	81.36	0.12	195.80	104.64
Building	2,209.30	-	-	2,209.30	-	122.62	-	122.62	2,086.68
Leasehold Premises	62.44	0.14	44.36	18.22	27.05	7.80	24.15	10.70	7.52
Plant and Equipment	6.58	0.01	2.49	4.10	3.13	0.62	1.78	1.97	2.13
Furniture and Fixtures	106.74	1.67	20.29	88.12	39.01	17.15	13.20	42.96	45.16
Vehicles	8.08	-	1.22	6.86	3.60	1.96	0.85	4.71	2.15
Office equipment	134.66	2.18	36.71	100.13	79.39	23.72	31.14	71.98	28.15
Computers	274.25	1.95	74.19	202.01	194.23	34.40	66.37	162.26	39.75
Plant and Machinery-Solar power	62.05	-	-	62.05	27.64	6.23	-	33.87	28.18
Total	3,495.22	29.60	370.57	3,154.25	488.61	295.87	137.61	646.87	2,507.38
Investment property*									
Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at 1 April 2020	Additions / adju stments during the year	Deductions /adju stments during the year	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Deductions /adju stments during the year	As at 31 Mar 2021	As at 31 Mar 2021
Land	138.64	-	-	138.64	-	-	-	-	138.64
Flat and Building	5,249.22	270.88	624.84	4,895.26	598.56	447.39	0.04	1,045.91	3,849.35
Total	5,387.86	270.88	624.84	5,033.90	598.56	447.39	0.04	1,045.91	3,987.99

Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at 1 April 2020	Additions / adju stments during the year	Deductions /adju stments during the year	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Deductions /adju stments during the year	As at 31 Mar 2021	As at 31 Mar 2021
Goodwill	18.68	-	-	18.68	18.68	-	-	18.68	-
Other Intangible Assets Software	286.28	116.23	289.73	112.78	187.73	83.44	173.85	97.32	15.45
Total	304.96	116.23	289.73	131.46	206.41	83.44	173.85	116.00	15.45

*These assets are pledged for issuance of Non-convertible debentures (refer Note 22 and Note 25).

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

2 Property, Plant and Equipment

Description of Assets	Gross Block					Accumulated Depreciation and Impairment						Net Block	
	As at 1 April 2019	Transition impact of Ind AS 116	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2020	As at 1 April 2019	Transition impact of Ind AS 116	Charge for the year	Deductions / adjustments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 Mar 2020	Revaluation adjustment if any	As at 31 Mar 2020
Property, Plant and Equipment													
Land	-	-	56.73	-	56.73	-	-	-	-	-	-	106.29	163.02
ROU-leasehold premises	-	318.57	149.80	0.27	468.10	-	-	114.83	0.27	-	114.56	-	353.54
Building	-	-	885.42	-	885.42	-	-	-	116.57	116.57	-	1,323.88	2,209.30
Leasehold Premises	41.98	-	30.72	10.26	62.44	21.45	-	14.56	8.96	-	27.05	-	35.39
Plant and Equipment	6.51	-	0.25	0.18	6.58	1.99	-	1.27	0.13	-	3.13	-	3.45
Furniture and Fixtures	68.67	-	44.62	6.55	106.74	26.76	-	17.75	5.50	-	39.01	-	67.73
Vehicles	13.74	-	2.19	7.67	8.26	4.72	-	2.96	4.08	-	3.60	-	4.66
Office equipment	97.18	-	43.50	6.02	134.66	50.60	-	34.28	5.49	-	79.39	-	55.27
Computers	269.76	-	22.51	18.02	274.25	144.26	-	64.14	14.17	-	194.23	-	80.02
Plant and Machinery-Solar power	62.05	-	-	-	62.05	20.57	-	7.07	-	-	27.64	-	34.41
Total	559.89	318.57	1,235.74	48.97	2,065.23	270.35	-	256.86	155.17	116.57	488.61	1,430.17	3,006.79
Investment property*													
Description of Assets	Gross Block					Accumulated Depreciation and Impairment						Net Block	
	As at 1 April 2019	Transition impact of Ind AS 116	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2020	As at 1 April 2019	Transition impact of Ind AS 116	Charge for the year	Deductions / adjustments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 Mar 2020	Revaluation adjustment if any	As at 31 Mar 2020
Land	195.37	-	-	56.73	138.64	-	-	-	-	-	-	-	138.64
Flat and Building	5,463.07	-	671.57	885.42	5,249.22	253.98	-	461.15	116.57	-	598.56	-	4,650.66
Total	5,658.44	-	671.57	942.15	5,387.86	253.98	-	461.15	116.57	-	598.56	-	4,789.30

Other Intangible Assets

Description of Assets	Gross Block					Accumulated Amortisation and Impairment						Net Block	
	As at 1 April 2019	Transition impact of Ind AS 116	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2020	As at 1 April 2019	Transition impact of Ind AS 116	Charge for the year	Deductions / adjustments during the year	Adjustment of revaluation gains to accumulated depreciation	As at 31 Mar 2020	Revaluation adjustment if any	As at 31 Mar 2020
Goodwill	18.68	-	-	-	18.68	18.68	-	-	-	-	18.68	-	-
Other Intangible Assets Software	259.95	-	42.33	16.00	286.28	137.37	-	66.36	16.00	-	187.73	-	98.55
Total	278.63	-	42.33	16.00	304.96	156.05	-	66.36	16.00	-	206.41	-	98.55

*The Group decided to move to revaluation model from cost model for accounting a class of asset (i.e. Flats and building) as at 31 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. These valuations were determined basis open market values of similar property and its intrinsic value. The Management approved this valuation at Rs.2,372.32 millions. Had it continued to account on historical cost less depreciation basis, the carrying value of land and buildings would have been Rs.825.70 millions and deferred tax liability on it of Rs.540.49 million through Other Comprehensive Income. The amount Rs. 1,006.25 million shown in column "Revaluation adjustment if any" is net of accumulated depreciation amounting to Rs.116.57 million.

** Fair value of the Land and building under Investment property is Rs 5,535.40. millions. These assets are pledged for issuance of Non-convertible debentures (refer Note 22 and Note 25).

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021			As at 31 March 2020		
	Face value	Quantity	Amount	Face value	Quantity	Amount
3 Non-current investments						
Unquoted Investments						
Investments in equity instruments of other Edelweiss group companies (fully paid up)						
ECL Finance Limited	-	-	-	1	294,472,650	3,862.84
Edelweiss Asset Reconstruction Company Limited *	10	10,482,041	446.43	10	10,482,041	446.43
Lichen Metals Private Limited	-	-	-	10	39,920	2.69
Investments in equity instruments of other companies (fully paid up)						
Inditrade Business Consultants Limited	10	10,000	0.10	10	10,000	0.10
Agri Warehousing Service Providers (India) Association (AWSPA)	90,000	10	0.90	90,000	10	0.90
Mantri Metalics Private Limited	-	-	-	10.00	487,156	34.44
Investments in preference shares of other companies (fully paid up)						
Non cumulative non convertible redeemable						
12% Preference shares of Ecap Equities Limited	-	-	-	1,000	1,000,000	881.34
Investments in debentures (fully paid up)						
10.25% ECL Finance Limited Perpetual Bonds	100,000	1,950	2,126.26	100,000	1,950	2,129.67
Investment in others						
Edelweiss Private Equity Tech Fund	100,000	853.43	199.35	100,000	853	205.10
Edelweiss Value and Growth Fund	100,000	3,592	598.01	100,000	3,032	595.99
Investment -Edelweiss Real Estate Opportunities Fund	-	-	19.51	-	-	18.59
India Credit Investment Fund II	158,897	-	1,588.97	-	-	-
Compulsorily convertible Debentures						
0.01 % -ECAP Equities Limited **		4,000,000.00	4,000.01	-	-	-
0.01 % -Edel Land		600,000.00	600.00	-	-	-
Security Receipts						
	-	-	1,600.86	-	-	1,044.73
Investment in Share Warrants Equity						
Team Geo Resources Limited	10	15,000,000	154.47	10	15,000,000	152.64
Less : Impairment Allowance***			(135.01)			(5.66)
			11,199.86			9,369.80

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

** 0.01% , 4,000,000 of CCD have been allotted & transferred in the Company's Depository statement subsequent to the balance sheet date

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

Note: Disclosures as required by IND AS 107 have been separately provided in Note 54 and 57

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
4 Loans- Non Current		
At fair value through profit and loss		
<i>Unsecured</i>		
Capital advances	1,925.51	5,479.21
 <i>Amortised Cost</i>		
<i>Secured</i>		
Receivables from financing business*	111.30	683.98
Provision for expected credit loss on loans	(111.30)	(428.11)
Net	-	255.87
<i>* Secured against securities</i>		
<i>Unsecured</i>		
Loans and advances (including term loans)	5,049.36	4,367.93
 <i>Unsecured</i>		
At amortised cost		
Capital advances (net of expected credit loss)	-	149.47
 <i>Secured **</i>		
Term Loans		
(i) Housing Loans	16,955.65	20,737.17
(ii) Non Housing Loans	10,954.17	14,295.66
Gross	27,909.82	35,032.83
Less: Impairment loss allowance	(417.67)	(353.31)
Net	27,492.15	34,679.52
	34,467.02	44,932.00
 <i>** Secured against tangible assets</i>		
5 Other financial assets		
Security Deposits	105.66	110.51
Deposits placed with/ for exchange/ depositories	4.81	2.62
Deposits placed with/exchange/depositories	30.00	30.00
Other deposits	160.53	6.88
	301.00	150.01
6 Other bank balances		
Fixed deposits, held as margin money or security against borrowings, guarantees other commitments	0.26	0.04
Fixed deposit with banks (including interest accrued thereon) (bank deposits with more than 12 months maturity)	17.31	37.83
- Accrued interest on fixed deposits		
	17.57	37.87

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
7 Deferred tax assets (net)		
Deferred tax assets		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	11.95	10.35
<u>Loans</u>		
Impairment on loans	1,172.72	749.21
<u>Investments and other financial instruments</u>		
Fair valuation loss on investments	4.60	4.67
Unrealised loss on derivatives	-	1.04
<u>Employee benefit obligations</u>		
Provision for leave accumulation	1.24	1.01
Disallowances under section 43B of the Income Tax Act, 1961	18.36	5.69
<u>Unused tax credit</u>		
MAT credit entitlement	581.92	620.33
<u>Unused tax losses</u>		
Accumulated Losses	566.38	943.89
<u>Borrowings</u>		
Gratuity & other employee benefits	20.79	24.50
Others	150.05	134.65
	2,528.01	2,495.34
Deferred tax liabilities		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	574.55	77.48
<u>Investments and other financial instruments</u>		
Unrealised Gain On Derivatives	25.86	61.68
Fair valuation gain of investments and stock in trade	392.68	997.07
Accrued Interest on Stage 3 receivables	1.87	6.18
<u>Borrowings</u>		
Effective interest rate on borrowings	167.97	141.88
Capitalised borrowing costs on building/ROU	55.25	73.72
Special Reserve u/s 36(1) (viii)	98.70	-
	1,316.88	1,358.01
	1,211.13	1,137.33

Note: Refer note 59 for disclosures on Deferred Tax.

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
8		
Income tax assets (net)		
Advance income taxes	891.73	1027.36
	<u>891.73</u>	<u>1027.36</u>
9		
Other non-current assets		
Prepaid expenses	0.01	-
Other deposits	19.55	27.05
Contribution to gratuity fund (net)	0.04	1.12
Input tax credit	1.54	1.47
	<u>21.14</u>	<u>29.64</u>
10		
Inventories		
Stock in trade commodities*	-	436.09
	<u>-</u>	<u>436.09</u>

* refer note 22 and 25 for charges on inventory

Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
11 Stock in trade		
At fair value through profit or loss		
(i) Mutual Fund	67.53	65.00
(ii) Debt securities	2,892.27	584.75
(iii) Equity instruments	65.75	0.33
(iv) Nifty-linked debentures	237.88	163.49
TOTAL - Gross (A)	3,263.43	813.57
(i) Stock in trade held outside India	-	-
(ii) Stock in trade held in India	3,263.43	813.57
Total (B)	3,263.43	813.57
Less: Allowance for impairment (C)	-	-
Total Net (A-C)	3,263.43	813.57

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021			As at 31 March 2020		
	Face value	Quantity	Amount	Face value	Quantity	Amount
12 Current investments						
Investment in others						
Forefront Wealth Advisors LLP - Current Account	-	-	6.76	-	-	4.40
Security receipts						
EARC - SAF 1 -Trust	431.32	255,000	94.64	431.32	255,326	94.63
EARC - SAF 2 -Trust	12.68	10,000	5.25	12.68	9,750	4.80
-EARC SAF -3 Trust - Series I	402.00	19,000	18.55	-	-	-
-EARC Trust SC 297	1.00	338,621	4.40	-	-	-
-EARC TRUST SC 337	1.00	47,325	0.02	-	-	-
-EARC Trust SC 391	948.85	73,950	63.74	-	-	-
			193.36			103.83

Note: Disclosures as required by IND AS 107 have been separately provided in Note 54 and 57

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
13 Trade receivables		
Receivables considered good - Secured*	102.84	210.35
Receivables considered good - Unsecured	167.76	672.94
Receivables - Credit impaired	491.17	414.97
	<u>761.77</u>	1,298.26
Less : Allowance for expected credit losses	437.85	449.74
	<u>323.92</u>	<u>848.52</u>
<i>*secured by inventory held on behalf of principal</i>		
14 Cash and cash equivalents		
Cash on hand	-	0.23
Balances with banks *	9,791.40	9,144.38
<i>*(refer note 44 on Encumbrances on fixed deposits)</i>		
	<u>9,791.40</u>	<u>9,144.61</u>
15 Bank balances other than cash and cash equivalents		
Fixed deposits *	117.97	61.86
Long term bank deposits with banks	640.47	654.23
Short term bank deposits with banks	231.91	114.01
<i>*(refer note 44 on Encumbrances on fixed deposits)</i>		
	<u>990.35</u>	<u>830.10</u>

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
16 Loans - Current		
<i>Secured *</i>		
Receivables from financing business	8,314.22	9,175.79
Provision for expected credit loss on loans	<u>(1,190.13)</u>	<u>(226.91)</u>
	7,124.09	8,948.88
<i>Unsecured</i>		
Term Loans (including capital advance)	1,317.45	29.40
Loans and advances to related parties	12,015.95	8,943.48
Loans and advances to employees	1.46	5.31
Accrued interest on loans given related parties	228.21	149.48
Intercorporate deposits placed	1,100.00	1,100.00
Accrued interest on intercorporate deposits	14.07	14.07
Impairment on intercorporate deposits placed	(1,114.23)	(620.45)
ECL provision (Ind AS)	(140.18)	(95.38)
*Secured by tangible assets	<u>20,546.82</u>	<u>18,474.79</u>
17 Other financial assets		
Deposits placed with exchange/depositories	-	4.16
Rental deposits	9.97	0.72
Deposits- others	538.36	102.77
Accrued interest on margin	-	0.84
Receivable from exchange / clearing house (net)	0.78	2.10
Margin placed with broker	3.56	-
Advances recoverable in cash or in kind or for value to be received	829.49	301.14
	<u>1,382.16</u>	<u>411.73</u>
18 Current tax assets (net)		
Advance income taxes	760.72	682.79
	<u>760.72</u>	<u>682.79</u>
19 Other current assets		
(Unsecured considered good, unless stated otherwise)		
Contribution to gratuity Fund (net)	32.89	-
Input tax credit	308.29	384.67
Advances to others	0.02	0.09
Advances to employees	2.70	2.52
Prepaid expenses	81.59	67.08
Vendor advances	89.99	28.51
Other deposits	0.01	0.02
Advances recoverable in cash or in kind or for value to be received	29.50	0.42
Others	0.39	-
	<u>545.38</u>	<u>483.31</u>

Edelweiss Rural & Corporate Services Limited

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
20 Share capital		
Authorised:		
4,25,00,000 (Previous year: 4,25,00,000) equity shares of Rs. 10 each	425.00	425.00
7,20,00,000 (Previous year: 7,20,00,000) preference shares of Rs. 10 each	720.00	720.00
	1,145.00	1,145.00
(a) Equity Shares		
Issued, Subscribed and Paid up:		
3,97,75,367 (Previous year: 3,97,75,367) equity shares of Rs. 10 each, fully paid up	397.75	397.75
	397.75	397.75
(b) Instruments entirely equity in nature		
(i) Compulsory Convertible Preference Shares ('CCPS')		
13,59,955 CCPS (Previous year Nil) - 0.01% Compulsory Convertible Preference Shares ("CCPS") of face value of Rs. 10/- along with premium of Rs. 357.66	500.00	-
(ii) Compulsorily Convertible Debentures ('CCDs')		
90,00,000 CCDs (Previous year Nil) of the face value of Rs. 1,000/- each	9,000.00	-
	9,500.00	-

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

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	39,775,367	397.75	39,775,367	397.75
Issued during the year	-	-	-	-
Outstanding at the end of the year	39,775,367	397.75	39,775,367	397.75

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

	31 March 2021		31 March 2020	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares				
Edelweiss Financial Services Limited, the holding company and its nominees	-	0.00%	32,716,544	82.25%
Edel Finance company Limited	39,775,367	100.00%	7,058,823	17.75%

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

	31 March 2021		31 March 2020	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up				
Edelweiss Financial Services Limited, the holding company and its nominees	-	0.00%	32,716,544	82.25%
Edel Finance company Limited	39,775,367	100.00%	7,058,823	17.75%

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. 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. 1 CCD will be converted into 2.71 Equity Shares. i.e 33,21,033 equity shares will get issued on the date of conversion of CCD.

Note 1:

No share allotted as fully paid up by way of bonus shares by the Company during the period of five years immediately preceding the balance sheet date.

Note 2:

No shares bought back by the Company during the period of five years immediately preceding the balance sheet date.

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
22 Long-term borrowings		
<i><u>Secured*</u></i>		
Non-convertible redeemable debentures	12,735.44	33,438.23
Term loans from bank [Secured by charge on immovable property with bank]	13,540.32	19,292.36
Interest accrued on borrowings	1,200.12	1,076.89
<i><u>Unsecured</u></i>		
Preference Shares Capital - Fellow Subsidiaries	2,036.39	1,549.05
Preference Shares Capital - Outsiders	11.47	300.68
Privately Placed Non-convertible redeemable debentures	6,089.87	6,091.33
Unamortised loan origination costs	8,137.73	7,941.06
	35,613.61	61,748.54
<i>*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.</i>		
23 Other financial liabilities		
Rental Deposits	725.98	725.74
Lease Liabilities	97.83	362.43
Other payables	4,114.34	2,758.04
	4,938.15	3,846.21
24 Long-term provisions		
Provision for employee benefits		
Gratuity	0.31	19.28
Compensated leave absences	3.89	9.62
	4.20	28.90

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
25 Short-term borrowings		
<u>Secured</u>		
Bank overdraft [Secured by pari passu charge on inventory and corporate guarantee of ultimate holding company]	1,349.27	929.69
Privately Placed Non-convertible debentures [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]	23,157.31	7,658.60
Sub-total (A)	24,506.58	8,588.29
<u>Unsecured</u>		
Loan from related parties	3,669.42	5,269.99
Commercial paper	5,120.00	-
Less: Unamortised discount	(350.95)	-
	4,769.05	-
Preference Shares Capital	-	447.61
Short term loan from bank	7,738.79	7,756.86
Sub-total (B)	16,177.26	13,474.46
Interest accrued on borrowings (C)	73.16	627.36
Total (A+B+C)	40,757.00	22,690.11

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2021	As at 31 March 2020
26 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	0.23	7.07
Total outstanding dues to creditors other than micro enterprises and small enterprises	526.12	552.95
	526.35	560.02
27 Other financial liabilities		
Book overdraft	-	0.05
Accrued salaries and benefits	320.79	5.38
Payable to exchange / clearing house (net)	0.50	0.70
Others & Income received in advance	1.81	3.20
Retention money payable	1.29	6.56
Statutory dues payable	20.79	14.47
Other payables (including on account of securitisation/ assignments)	384.27	106.30
	729.45	136.66
28 Other current liabilities		
Other payables & Payable on account of Securitisation/ assignments	1,551.63	992.40
Withholding taxes, Goods & service tax and other taxes payable	39.73	87.17
Advances from customers	-	222.24
Others	13.12	32.22
Lease liabilities	42.12	55.78
Payable to employees	43.27	5.23
Book overdraft	542.18	-
	2,232.05	1,395.04
29 Short-term provisions		
Provision for employee benefits :		
Gratuity	32.56	6.75
Compensated absences	6.29	6.31
Proposed dividend	7.38	41.81
Provision for expenses	0.58	1.16
	46.81	56.03
30 Current tax liabilities (net)		
Provision for taxation	27.83	132.42
	27.83	132.42

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
31 Fee income		
Income from commodities services	127.42	295.12
Business support services income	1,181.28	1,722.02
Advisory income (including referral and arranger fees)	190.04	127.58
	1,498.74	2,144.72
32 Interest income		
Interest Income from loans	1,812.41	1,352.32
Interest income on intercorporate deposits	138.68	300.47
Interest income on credit substitutes	-	304.85
Interest income on loans from others	4,393.04	5,496.97
On Debt instrument - amortised cost	(14.11)	-
Interest income on fixed deposits	177.37	100.43
Interest income on debt instrument	1,032.38	2,942.42
Interest income on margin with brokers	0.45	44.84
Interest income on delayed payments	(11.20)	129.19
Interest income on preference shares	118.66	0.33
Interest Income - Others	9.94	1.34
Income on direct assignment	344.08	87.83
	8,001.70	10,760.99
33 Other operating revenue		
Warehouse income	411.42	712.35
Rental income	353.86	412.52
Gain due to foreign exchange movement on trade	(0.04)	-
Delayed payment charges	-	284.26
	765.24	1,409.13
34 Other income		
Profit on sale of fixed assets (net)	-	6.08
Foreign exchange gain	(0.22)	(39.81)
Miscellaneous income	66.74	72.92
Interest on Income tax refund	53.16	-
	119.68	39.19
35 Loss /(Gain) from treasury (net)		
Loss on trading of securities (net)	292.49	1,431.24
Profit / (loss) on trading in equity derivative instruments (net)	52.17	48.59
Loss / (Profit) on trading in commodity derivative instruments (net)	-	(10.33)
Loss / (Profit) on trading in currency derivative instruments (net)	91.98	(124.97)
Loss on trading in Commodities (net)	-	136.07
(Profit)/ loss on sale of current Investment	-	(11.37)
Income distribution from Fund	(0.06)	(0.04)
Loss on sale of long term investment	3,197.24	1,330.61
Dividend on Stock in trade	(1.80)	-
Dividend on long term investment	(4.83)	-
Share of (profit)/loss in partnership firm	(0.93)	(1.82)
Fair value (gain) / loss - Equity	(11.16)	802.04
Fair value gain - Debt Instruments	(79.78)	(330.67)
Profit on sale of mutual fund units (FVTPL)	(22.32)	(34.79)
	3,513.00	3,234.56

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
36 Employee benefit expenses		
Salaries, wages and bonus	1,584.84	1,692.78
Contribution to provident and other funds	56.53	108.46
Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	18.65	29.81
Staff welfare expenses	44.45	78.02
	1,704.47	1,909.07
37 Finance costs		
Interest on debentures	4,399.25	4,377.78
Interest on inter-corporate deposits	-	0.79
Interest on term loan	2,400.72	2,829.58
Interest on bank overdraft	46.92	150.13
Interest on loan from ultimate holding company	656.01	662.88
Interest on loan from group companies	318.20	795.47
Interest on loan from others	276.82	91.32
Interest - others	82.38	8.15
Interest on margin	-	0.04
Discount on commercial paper	480.77	580.07
Financial and bank charges	152.50	96.03
Interest on debt securities	53.74	11.13
Interest on lease liabilities	24.71	45.82
Interest on shortfall in payment of advance income tax	1.99	6.99
Interest on subordinated debt	56.25	56.38
Interest on borrowings other than debt securities	26.88	14.59
Finance cost- Preference Shares	216.08	164.40
	9,193.22	9,891.55
38 Impairment on financial instruments		
Bad- debts and advances written off	106.18	519.48
Loss on sale of loan assets sold to assets reconstruction company	359.27	373.86
Diminution in value of investments	129.35	5.66
Provision for non performing assets	1,146.95	634.82
Provision for doubtful debts	48.06	(29.72)
Provision for restructured advance	-	0.61
Provision for standard assets	63.98	16.14
	1,853.79	1,520.85

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
39 Other expenses		
Advertisement and business promotion	2.61	27.43
Auditor's remuneration (refer note below)	15.33	13.95
Commission and brokerage	26.37	55.32
Communication expenses	23.20	46.91
Commodity transaction tax	-	-
Computer expenses	132.89	89.23
Computer software	4.54	-0.67
Clearing and custodian charges	25.20	35.33
Contribution towards corporate social responsibilities	21.52	39.51
Dematerialisation charges	0.19	0.42
Directors' sitting fees	1.12	1.34
Donation	-	30.12
Electricity charges (net)	42.95	87.62
Foreign exchange loss (net)	-1.90	0.20
Insurance	27.39	30.53
Loss on sale of Investments	2.63	-
Legal and professional fees	202.54	195.38
Loss on sale of fixed assets (net)	138.08	-
Membership and subscriptions	4.03	1.34
Office expenses	190.41	350.61
Postage and courier	2.13	8.51
Printing and stationery	8.51	6.02
Rates and taxes	81.98	80.72
Rating support fees	20.94	8.04
Rent	72.82	78.46
Repairs and maintenance - building	0.11	0.10
Repairs and maintenance - others	13.23	29.74
Security transaction tax	8.61	9.50
Goods and Service tax expenses	214.95	243.53
Site related expenses	-	5.52
Stamp duty	21.10	4.58
Stock exchange expenses	2.29	2.84
Trusteeship Fees	-	0.71
Transportation charges	23.85	32.49
Travelling and conveyance	20.77	91.01
Warehousing charges	192.96	466.60
Loan origination costs amortised	125.22	190.70
Miscellaneous expenses	19.31	54.41
	1,687.88	2,318.05
Auditor's remuneration:		
As auditors	13.40	13.16
Reimbursement of expenses	1.93	0.79

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

40 Segment reporting:

Primary Segment (Business segment)

The Group's business is organised and management reviews the performance based on the business 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 administration, compliance, payroll, finance, and accounts, 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 using basis such as employees headcount or segment revenue. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the group are primarily concentrated in India, the Group 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 2021	As at/ For the year ended 31 March 2020
I	Segment Revenue		
	a) Capital based business	8,291.31	9,691.70
	b) Treasury management	681.39	2,608.79
	c) Business Support Services	779.49	1,364.87
	d) Warehouse services	580.00	1,048.90
	e) Trading in commodities	2,218.41	9,310.88
	f) Unallocated	53.17	21.85
	Total Income	12,603.77	24,046.99
II	Segment Results		
	a) Capital based business	(8,050.89)	(5,178.09)
	b) Treasury management	(124.45)	56.66
	c) Business Support Services	(155.38)	148.05
	d) Warehouse services	(116.27)	(352.81)
	e) Trading in commodities	(11.72)	99.94
	f) Unallocated	53.18	21.86
	Total	(8,405.53)	(5,204.39)
	Profit before taxation	(8,405.53)	(5,204.39)
	Less : Provision for taxation	392.65	(762.93)
	Profit after taxation	(8,798.18)	(4,441.46)
III	Segment Assets		
	a) Capital based business	84,564.43	89,156.55
	b) Treasury management	4,928.04	3,225.73
	c) Business Support Services	108.86	410.95
	d) Warehouse services	107.94	375.96
	e) Trading in commodities	-	436.09
	f) Unallocated	2,864.63	3,456.35
	Total	92,573.90	97,061.63

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

40 Segment reporting (continued):

	Particulars	As at/ For the year ended 31 March 2021	As at/ For the year ended 31 March 2020
IV	Segment Liabilities		
	a) Capital based business	80,226.14	87,213.84
	b) Treasury management	4,386.09	2,896.72
	c) Business Support Services	213.72	12.86
	d) Warehouse services	32.87	55.14
	e) Trading in commodities	-	344.65
	f) Unallocated	16.63	70.72
	Total	84,875.45	90,593.93
V	Capital expenditure (including intangibles under development)		
	a) Capital based business	416.71	518.60
	b) Treasury management	-	(0.06)
	c) Business Support Services	-	-
	d) Warehouse services	-	-
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	416.71	518.54
VI	Depreciation and amortisation		
	a) Capital based business	695.94	678.46
	b) Treasury management	1.97	1.48
	c) Business Support Services	100.10	59.53
	d) Warehouse services	28.69	44.90
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	826.70	784.37
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	4,668.01	4,184.91
	b) Treasury management	9.84	5.52
	c) Business Support Services	-	-
	d) Warehouse services	14.99	48.48
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	4,692.84	4,238.91

No single customer represents 10% or more of the Group's total revenue for the year ended 31 March 2021 and 2020.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

41 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014:

Sr. No.	Particulars
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 Group
	Edelweiss Housing Finance Limited
	EC Commodity Limited
	Edelweiss Comtrade Limited
	Allium Finance Private Limited
	Edelweiss Investment Adviser Limited (w.e.f 30 March 2020) *

*Consolidated with the Company w.e.f. 1 April 2018 basis “Method of accounting for common control business combinations” in accordance with Ind AS 103.

C.	Fellow Subsidiaries with whom the Group has transactions
	Edelweiss Finvest Limited
	Lichen Metals Private Limited (till 30 th March 2021)
	Edelweiss Asset Reconstruction Company Limited
	ECL Finance Limited
	Edelweiss Finance & Investments Limited (till 26 th March 2021)
	Edelweiss Securities Limited (till 26 th March 2021)
	Edelweiss Custodial Services Limited (till 26 th March 2021)
	Edelweiss Trustee Services Limited

41 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):

C.	Fellow Subsidiaries with whom the Group has transactions (continued):
	Edelweiss Asset Management Limited
	Edelcap Securities Limited

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

C.	Fellow Subsidiaries with whom the Group has transactions (continued):
	ECap Equities Limited
	Edelweiss Broking Limited (till 26 th March 2021)
	Edelweiss Investment Adviser Limited (till 30 th March 2020)
	Edel Land Limited
	Edelweiss Global Wealth Management Limited (till 26 th March 2021)
	Edel Finance Company Limited
	Edelweiss Gallagher Insurance Brokers Limited (formerly known as Edelweiss Insurance Brokers Limited)
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Alternative Asset Advisors Limited
	Edel Investments Limited
	Aster Commodities DMCC
	Edelweiss Multi Strategy Funds Management Private Limited* (Merged with Edelweiss Asset Management Limited w.e.f 1 February 2019)
	Edelgive Foundation
	Edelweiss Finvest Private Limited *(merged with Edel Finance Company Limited w.e.f 1 st April 2019)
	Edelweiss Retail Finance Limited
	Edelweiss General Insurance Company Limited
	EW Clover Scheme
	Edelweiss Trusteeship Company Limited
	EC Global Limited
	Edelweiss Capital Singapore Pte Limited
	EC International Limited, Mauritius
	Edelweiss Alternative Asset Advisors Pte Limited
	Edelweiss International Singapore Pte Limited
	Edelweiss Investment Advisors Private Limited

Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

41 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):

C.	Fellow Subsidiaries with whom the Group has transactions (continued):
	EAAA, LLC
	EW Special Opportunities Advisors LLC
	EW India Special Assets Advisors LLC
	Edelweiss Securities (Hong kong) Private Limited (till 26 th March 2021)
	Edelweiss Financial Services Inc. (till 26 th March 2021)
	Edelweiss India Capital Management
	EFSL International Limited
	Edelweiss Financial Services (UK) Limited
	Edelweiss Holdings Limited
	Edelweiss Securities (IFSC) Limited
	Allium Finance Private Limited (w.e.f 02 December 2018)
	Edelweiss Securities Trading and Management Private Limited (Formerly known as Dahlia Commodities Services Private Limited)
	Edelweiss Securities and Investments Private Limited (Formerly known as Magnolia Commodities Services Private Limited)
D.	Enterprises in which fellow subsidiary companies exercise significant influence with whom transactions have taken place:
	Edelweiss Multi Strategy Fund Advisors LLP (formerly known as Forefront Alternative Investment Advisors LLP)
	Edelweiss Wealth Advisors LLP (formerly known as Forefront Wealth Advisors LLP)
	Edelweiss Private Equity Tech Fund
	Edelweiss Value and Growth Fund
	India Credit Investment Fund II

Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

41 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):

E.	Key Management Personnel with whom transactions have taken place
	Mr. Rujan Panjwani (Executive Director) (till 31 August 2020) Mr.Santosh Dadheech (Executive Director) Ms. Ananya Suneja ((Executive Director w.e.f. December 1,2020) Mr. Manoj Sharma (Chief Financial Officer)
F.	Non-Executive Directors
	Ms. Kalpana Maniar (Resigned w.e.f. December 28, 2020) Mr. Nikhil Johari
G.	Independent Directors
	Dr. Vinod Juneja Mr. Kunnasagaran Chinniah Mr.P.N.Venkatchalam Mr.Vaidyanathan P Mrs.Vijayalakshmi Rajaram Iyer (till 11 February,2019)

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financial statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Capital account transactions during the year			
Interim dividend paid/proposed	Edelweiss Securities Limited	-	0.70
	ECL Finance Limited	0.70	0.70
Compulsory Convertible Preference Share issued to	Edel Finance Company Limited	500.00	-
Non-cumulative Non-convertible Redeemable Preference Shares issued to	Edel Finance Company Limited	-	500.00
Redemption of Preference Share issued	Edel Finance Company Limited	500.00	-
Redemption of Preference Share Purchased	ECap Equities Limited	1,000.00	-
Current account transactions during the year			
Inter-corporate deposits placed with	EW Clover Scheme1	-	6,281.29
	Edelweiss Asset Reconstruction Company Limited	-	5,050.00
Inter corporate deposits repaid by	EW Clover Scheme1	-	6,281.29
	Edelweiss Asset Reconstruction Company Limited	-	8,650.00
Compulsory Convertible Debenture issued to	Edel Finance Company Limited	9,000.00	-
Short term loans taken from (Refer note 2 Total basis)	Edelweiss Financial Services Limited	21,430.85	0.19
	ECap Equities Limited	11,803.68	198,009.59
	ECL Finance Limited	8,610.00	9,994.00
	Edel Finance Company Limited (Refer note no 5)	5,304.52	28,230.89
	Lichen Metals Private Limited	178.69	214.12
	Edel Investments Limited	975.58	395.05
	Edelweiss Securities And Investments Private Limited	576.70	826.26
	Edelweiss Retail Finance Limited	2,400.00	2,150.00
	Edelweiss Trustee Services Limited	-	1.80
Short term loans taken from (Refer note 1 and 2)	Edelweiss Financial Services Limited	7,876.58	0.19
	ECap Equities Limited	5,468.83	12,254.03
	ECL Finance Limited	2,700.00	4,000.00
	Edelweiss Finvest Private Limited	-	9,535.02
	Lichen Metals Private Limited	120.36	209.20
	Edel Finance Company Limited	3,131.00	0.12
	Edel Investments Limited	107.40	137.20
	Edelweiss Securities And Investments Private Limited	543.40	820.84
	Edelweiss Retail Finance Limited	2,150.00	4,150.00
Short term loans repaid to (Refer note 2 Total basis)	Edelweiss Financial Services Limited	19,233.77	6.20
	ECap Equities Limited	11,803.68	198,010.19
	ECL Finance Limited	10,214.00	8,390.00
	Edel Finance Company Limited (Refer note no 5)	5,299.52	28,452.85
	Lichen Metals Private Limited	179.19	214.24
	Edel Investments Limited	849.45	395.72
	Edelweiss Securities And Investments Private Limited	576.30	826.26
	Edelweiss Retail Finance Limited	2,413.00	5,735.00
	Edelweiss Trustee Services Limited	-	2.84
Short term loans repaid to (Refer note 1 and 2)	Edelweiss Financial Services Limited	4,605.00	6.20
	ECap Equities Limited	5,645.53	19,258.27
	ECL Finance Limited	2,700.00	6,000.00
	Edelweiss Finvest Private Limited	3,132.00	7,989.81
	Lichen Metals Private Limited	165.00	200.00
	Edelweiss Insurance Brokers Limited	-	9.69
	Edel Finance Company Limited	-	10.15
	Edel Investments Limited	106.50	142.36
	Edelweiss Securities And Investments Private Limited	421.30	410.42
	Edelweiss Retail Finance Limited	2,213.00	1,190.00
Short term loans given to (Refer note 2) (Total basis)	ECap Equities Limited	96,887.81	114,487.57
	ECL Finance Limited	9,831.54	90,476.21

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edel Finance Company Limited (Refer note no 5)	34,312.89	68,031.92
	Edelcap Securities Limited	4,882.60	165.98
	Edel Investments Limited	512.66	2,987.04
	Edelweiss Global Wealth Management Limited	1,372.58	471.46
	Edelweiss Retail Finance Limited	20,830.00	3,194.72
	Edelweiss Securities Limited	1,578.85	97,008.46
	Edelweiss Broking Limited	1,216.10	86,650.33
	Edelweiss Securities And Investments Private Limited - Magnolia	1,015.21	811.00
	Edelweiss Financial Services Limited	3,313.86	105,386.00
	Edelweiss Finance and Investments Limited	38.94	49,269.70
	Edelweiss Custodial Services Limited	916.00	69,596.10
	Edelweiss Asset Management Limited	-	916.25
	Edelweiss Alternative Asset Adviser Limited	1,740.27	2,379.20
	Edel Land Limited	7,491.96	2,896.20
	Edelweiss Multi Strategy Fund Advisors LLP	45.00	24.05
	Lichen Metals Private Limited	0.46	266.42
	Edelweiss Trustee Services Limited	-	4.80
Short term loans given to (Refer note 1 and 2)	ECap Equities Limited	8,283.85	20,017.94
	ECL Finance Limited	3,100.00	12,580.00
	Edel Finance Company Limited (Refer note no 5)	5,267.05	12,770.19
	Edelcap Securities Limited	-	165.00
	Edel Investments Limited	17.50	250.00
	Edelweiss Global Wealth Management Limited	1,041.13	871.97
	Edelweiss Retail Finance Limited	4,200.00	720.00
	Edelweiss Securities Limited	1,470.00	5,200.00
	Edelweiss Broking Limited	700.00	2,839.33
	Edelweiss Securities And Investments Private Limited	797.13	818.00
	Edelweiss Financial Services Limited	750.00	8,007.49
	Edelweiss Finance and Investments Limited	28.94	5,300.00
	Edelweiss Custodial Services Limited	916.00	3,713.71
	Edelweiss Asset Management Limited	-	87.33
	Edelweiss Alternative Asset Advisors Limited	1,016.96	520.52
	Edel Land Limited	4,638.50	1,249.99
	Edelweiss Multi Strategy Fund Advisors LLP	31.41	16.69
	Lichen Metals Private Limited	0.61	264.60
	Edel Finance Company Limited	-	1,190.00
Short term loans repaid by (Refer note 2) (Total basis)	ECap Equities Limited	97,825.34	107,644.60
	ECL Finance Limited	8,847.45	91,471.21
	Edel Finance Company Limited (Refer note no 5)	29,676.52	67,668.78
	Edelcap Securities Limited	3,230.20	166.50
	Edel Investments Limited	67.67	3,173.04
	Edelweiss Global Wealth Management Limited	1,265.06	1,947.87
	Edelweiss Retail Finance Limited	-	3,195.24
	Edelweiss Securities Limited	1,587.32	99,027.79
	Edelweiss Broking Limited	1,219.62	87,112.08
	Edelweiss Securities And Investments Private Limited	4,032.94	14.14
	Edelweiss Financial Services Limited	3,313.86	108,309.30
	Edelweiss Finance and Investments Limited	67.89	49,720.97
	Edelweiss Custodial Services Limited	2,072.00	68,443.02
	Edelweiss Asset Management Limited	-	971.65
	Edelweiss Alternative Asset Adviser Limited	2,860.19	2,597.93
	Edel Land Limited	5,128.91	1,271.49
	Edelweiss Multi Strategy Fund Advisors LLP	76.41	71.56
	Lichen Metals Private Limited	265.67	22.57
	Edelweiss Trustee Services Limited	-	4.80
Short term loans repaid by (Refer note 1 and 2)	ECap Equities Limited	10,785.20	22,613.84
	ECL Finance Limited	3,600.00	12,259.60
	Edelweiss Finvest Private Limited	5,267.05	14,580.00
	Edelcap Securities Limited	-	122.90
	Edel Investments Limited	22.60	553.40
	Edelweiss Global Wealth Management Limited	936.38	1,361.00
	Edelweiss Retail Finance Limited	4,200.00	695.60
	Edelweiss Securities Limited	1,470.00	5,380.00

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edelweiss Broking Limited	700.00	3,150.00
	Edelweiss Securities And Investments Private Limited -	797.13	-
	Edelweiss Financial Services Limited	750.00	8,080.00
	Edelweiss Finance and Investments Limited	28.94	5,010.00
	Edelweiss Custodial Services Limited	916.00	3,713.70
	Edelweiss Asset Management Limited	-	70.40
	Edelweiss Alternative Asset Advisors Limited	1,016.96	519.30
	Edel Land Limited	1,625.58	1,238.49
	Edel Finance Company Limited	-	1,190.00
	Edelweiss Multi Strategy Fund Advisors LLP	31.41	45.24
	Lichen Metals Private Limited	264.60	20.80
Loan portfolio purchase under direct assignment	ECL Finance Limited	1,937.86	-
	Edelweiss Retail Finance Limited	1,769.67	-
Non Convertible Debentures subscribed by	ECap Equities Limited	-	5,500.00
Security deposit received from	ECap Equities Limited	-	100.00
	ECL Finance Limited	-	500.00
	Edelweiss Global Wealth Management Limited	-	75.00
Security deposit placed with	ECap Equities Limited	-	80.00
Loan sale to ARC	Edelweiss Asset Reconstruction Company Limited	26.80	1,325.00
Investments			
Investments in equity shares sold to	Edel Finance Company Limited (Refer note no 5)	4,906.33	51.78
	ECL Finance Limited	-	152.38
	Edelweiss Financial Services Limited	-	473.21
Investments in Compulsory Convertible debentures of	ECL Finance Limited Perpetual Bonds	-	2,129.61
	Edel Land Limited	600.00	-
	ECap Equities Limited	4,000.00	-
Investments in preference shares	ECap Equities Limited	-	1,000.00
Investment in others	Edelweiss Value and Growth Fund	1.70	-
	India Credit Investment Fund II	1,588.97	-
Investment in Security Receipt issued by	EARC Trust SC 378	22.78	-
	EARC Trust SC 401	-	981.75
	EARC Trust SC 374	-	62.98
Investment in Partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	-	752.50
Redemption in debentures of	Edelweiss Asset Reconstruction Company Limited	195.46	1,500.00
Withdrawal of capital from partnership firm	Edelweiss Resolution Advisors LLP	7.80	0.03
	Edelweiss Multi Strategy Fund Advisors LLP	5.25	-
Secondary market transactions (acting as broker)			
Margin placed with (Refer note 1 and 2)	Edelweiss Securities Limited	2.21	3.66
	Edelweiss Custodial Services Limited	3,840.48	2,821.78
Margin withdrawn from (Refer note 1 and 2)	Edelweiss Custodial Services Limited	3,331.81	4,808.94
	Edelweiss Securities Limited	2.67	4.04
Payment Received for Transfer of Employee benefit Related Provision	Lichen Metal Private Limited	0.42	-
Interim dividend Received	Lichen Metal Private Limited	4.83	-
Amount paid to broker for cash segment	Edelweiss Securities Limited	1,181.66	175.95
Amount received from broker for cash segment	Edelweiss Securities Limited	1,245.56	176.12

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Purchase of Securities	Edelweiss Securities limited	1,043.33	-
	Edel Finance Company Limited (Refer note no 5)	0.10	1,000.00
Security Receipts Purchased from	Edelweiss Finvest Limited	88.38	-
Purchase of fixed assets from	Edelweiss Securities Limited	0.09	0.66
	Edelweiss Global Wealth Management Limited	0.01	0.01
	Edelweiss Broking Limited	0.13	0.65
	Ecap Equities Limited	0.01	0.70
	Edelweiss Financial Services Limited	0.04	0.14
	ECL Finance Limited	0.20	0.87
	Edelweiss Finance and Investments Limited	0.01	-
	Edelweiss Asset Management Limited	0.01	-
	Edelweiss Gallagher Insurance Brokers Limited	0.03	0.05
	Edelweiss Retail Finance Limited	0.03	0.09
	Edelweiss Custodial Services Limited	-	0.05
	Edelcap Securities Limited*	0.05	-
	Edelweiss Alternative Asset Advisors Limited	0.01	0.03
	Edel Land Limited	0.01	-
	Edel Investments Limited	0.01	-
Sale of fixed assets to	Edelweiss Securities Limited	0.98	2.50
	Edelweiss Custodial Services Limited	0.05	0.12
	Edelweiss Broking Limited	3.55	3.00
	Ecap Equities Limited	0.01	0.78
	Edelcap Securities Limited	0.04	0.05
	Edelweiss Financial Services Limited	0.02	0.09
	ECL Finance Limited	0.41	4.72
	Edelweiss General Insurance Company Limited	0.12	0.26
	Edelweiss Asset Reconstruction Company Limited	0.10	0.06
	Edelweiss Finance & Investment Limited*	0.10	-
	Edel Finance Company Limited (Refer note no 5)	-	0.03
	Edel Land Limited	0.09	0.03
	Edelweiss Retail Finance Limited	0.01	0.02
	Edelweiss Gallagher Insurance Brokers Limited	-	0.02
	Edel Investments Limited	0.01	-
	Edelweiss Alternative Asset Advisors Limited	0.02	0.06
	Edelweiss Asset Management Limited	0.01	0.36
	EdelGive Foundation	0.01	-
	Edelweiss Global Wealth Management Limited	0.02	-
	Edelweiss Tokio life Insurance Company Limited	0.17	-
Purchase/subscription of debentures from	ECL Finance Limited	295.88	932.62
	Ecap Equities Limited	1,812.67	-
	Edelweiss Finvest Private Limited	1,633.94	128.49
	Edelweiss Tokio life Insurance Company Limited.	-	25.03
	Edelcap Securities Limited	661.02	-
	Edel Land Limited	1,060.34	-
Sale/redemption of debentures to	ECL Finance Limited	2,799.42	2,787.05
	Ecap Equities Limited	495.24	6,022.46
	Edelweiss Finvest Limited	-	3,552.54
	Edelweiss Asset Reconstruction Company Limited	-	31.07
	Edelweiss Retail Finance Limited	250.08	215.94
	Edelweiss Tokio life Insurance Company Limited.	-	30.81
	Edel Land Limited	717.28	796.19
	Edelweiss Securities And Investments Private Limited	15.23	796.19
	Edelcap Securities Limited	445.14	-
Interest received on debentures	ECL Finance Limited	-	42.24
	Edelweiss Asset Reconstruction Company Limited	-	238.08
	Edelweiss Retail Finance Limited	-	4.49
Purchase / Subscription of certificate of deposit from	ECL Finance Limited	-	994.67
Remuneration paid to	Rujan Panjwani	3.68	10.22

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Santosh Dadheech	9.85	12.87
	Aditya Doshi	-	1.35
	Rajat Avasthi	9.93	20.94
	Mr. Krishnaswamy Siddharth	2.34	5.79
	Mr. Manjeet Bijlani	0.73	7.22
	Mr. Sagar Tawre	-	0.31
	Ms. Riddhi parekh	2.05	0.52
	Manoj Sharma	2.06	2.40
	Ananya Suneja	2.28	-
	Mr. Manish Dhanuka	4.49	-
Director Sitting Fees	Kunnasagaran Chinniah	0.22	0.24
	Vinod Juneja	0.30	0.28
	Mr. P.N. Venkatachalam	0.40	0.48
	Mr. Vaidyanathan P	-	0.32
	Sunil Phatarphekar	0.28	-
	Biswamohan Mahapatra	0.10	-
Income			
Business support service charges from	ECL Finance Limited	126.36	511.02
	Edelweiss Broking Limited	87.27	103.28
	Edelweiss Securities Limited	49.14	141.57
	Edelweiss Retail Finance Limited	18.04	0.37
	Edelweiss Custodial Services Limited	33.27	58.46
	ECap Equities Limited	46.96	25.95
	Edelweiss Asset Reconstruction Company Limited	58.74	108.17
	Edel Finance Company Limited (Refer note no 5)	-	0.71
	Edelweiss Financial Services Limited	220.69	55.13
	Edelweiss Global Wealth Management Limited	3.73	34.30
	Edelweiss Alternative Asset Advisors Limited	20.21	43.61
	Edelweiss General Insurance Company Limited	31.14	64.32
	Edelweiss Asset Management Limited	23.62	33.15
	Edelcap Securities Limited	22.67	8.05
	Edelweiss Finance and Investments Limited	16.74	45.02
	Edel Investments Limited	2.88	16.13
	Edelweiss Gallagher Insurance Brokers Limited	7.49	22.88
	Edelweiss International (Singapore) Pte. Limited	7.10	-
	Edel Land Limited	1.44	-
	Edelweiss Securities (IFSC) Limited	-	0.01
	Edel Finance Company Limited	-	0.03
	Lichen Metals Private Limited	0.03	0.03
	Edelweiss Tokio Life Insurance Company Limited	39.42	47.24
	EdelGive Foundation	1.57	0.75
Advisory fees earned from	ECL Finance Limited	33.93	74.53
	Edelweiss Retail Finance Limited	9.00	-
Service fee received from	Edelweiss Retail Finance Limited	-	0.03
	ECL Finance Limited	-	0.16
Web-based service charges from	Edelweiss Broking Limited	-	19.29
Collateral management fees received from	ECL Finance Limited	1.59	18.76
	Edelweiss Financial Services Limited	1.59	-
Fees and Commission Income	ECL Finance Limited	-	1.54
	Edelweiss Gallagher Insurance Brokers Limited	-	0.50
Corporate Guarantee support fee	ECL Finance Limited	142.49	-
	Edel Finance Company Limited (Refer note no 5)	8.58	-
	Edelweiss Retail Finance Limited	2.32	-
Rating Support Fees Income	Edelweiss Financial Services Limited	0.10	-
	Edelweiss Securities Limited	0.03	-
	Edelweiss Finance and Investments Limited	0.14	-

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	ECap Equities Limited	0.04	-
	ECL Finance Limited	0.91	-
	Edelweiss Broking Limited	0.01	-
	Edelweiss Custodial Services Limited	0.04	-
	Edelweiss Asset Reconstruction Company Limited	0.09	-
	Edel Finance Company Limited (Refer note no 5)	0.10	-
	Edelweiss Retail Finance Limited	0.08	-
Interest income on debentures from	Edelweiss Asset Reconstruction Company Limited	152.29	254.26
	ECL Finance Limited	236.00	202.60
	Edelweiss Retail Finance Limited	12.49	2.71
	ECL Finance Limited	2.64	0.71
	ECap Equities Limited	0.01	-
Interest income on Nifty Linked Debentures	ECap Equities Limited	610.88	2,449.24
Interest income on loan from	ECL Finance Limited	8.53	37.03
	ECap Equities Limited	1,381.79	91.74
	Edelweiss Broking Limited	19.11	352.52
	Edelweiss Securities Limited	0.08	65.88
	Edelcap Securities Limited	-	12.42
	Edelweiss Financial Services Limited	30.81	316.27
	Edelweiss Alternative Asset Advisors Limited	46.20	114.33
	Edel Investments Limited	0.07	24.17
	Edelweiss Global Wealth Management Limited	101.13	165.19
	Edelweiss Retail Finance Limited	32.91	1.26
	Edelweiss Finance and Investments Limited	0.28	29.11
	Edel Land Limited	80.65	3.66
	Edelweiss Asset Management Limited	-	2.02
	Edelweiss Custodial Services Limited	10.59	18.89
	Edelweiss Multi Strategy Fund Advisors LLP	3.12	6.48
	Lichen Metals Private Limited	0.57	0.18
	Edel Finance Company Limited*	60.51	79.84
	Edelweiss Securities And Investments Private Limited - Magnolia	-	2.31
Interest Income - Preference Capital (SIT)	ECap Equities Limited	118.66	0.33
Interest income on intercorporate deposits	Edelweiss Asset Reconstruction Company Limited	-	268.56
	EW Clover Scheme	-	14.42
Interest income on margin placed with	Edelweiss Custodial Services Limited	0.45	44.84
Income from Commodities Broking	Ecap Equities Limited	-	34.82
Interest Income on security deposit to	ECap Equities Limited	9.68	0.32
Share of Profit in LLP	ECap Equities Limited	-	2.39
	Edelweiss Multi Strategy Fund Advisors LLP*	-	0.57
	Edelweiss Resolution Advisors LLP	4.96	-
Share of other comprehensive income (OCI) in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	-	426.25
Share of loss in LLP	Edelweiss Multi Strategy Fund Advisors LLP	4.03	-
Share of loss from fund	EW Clover	-	4.15
Rental income from	ECL Finance Limited	42.16	92.51
	Edelweiss Financial Services Limited	48.71	59.40
	Edelweiss Securities Limited	48.70	54.28
	Edelweiss Broking Limited	39.58	34.31
	Edelweiss Alternative Asset Advisors Limited	42.00	38.65
	Edelweiss Asset Reconstruction Company Limited	34.02	32.27
	Edelweiss Custodial Services Limited	17.15	15.19
	Edelweiss Global Wealth Management Limited	8.05	7.45
	Edelweiss Finance and Investments Limited	12.39	6.71
	Edelcap Securities Limited	36.60	32.38

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financial statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	ECap Equities Limited	7.21	15.81
	Edel Investments Limited	4.69	5.52
	Edelweiss Asset Management Limited	15.07	8.38
	Edelweiss General Insurance Company Limited	1.35	0.12
	Edelweiss Retail Finance Limited	1.56	1.77
	Edelweiss Tokio Life Insurance Company Limited	0.02	0.17
	Edel Land Limited	1.06	1.74
	EdelGive Foundation	1.20	0.68
	Edel Finance Company Limited	2.07	4.74
	Lichen Metals Private Limited	0.40	0.28
	Edelweiss Gallagher Insurance Brokers Limited	0.20	0.15
	ESL Securities Limited	0.48	-
Investment management support service from	EC Global Limited	-	24.35
	Edelweiss International (Singapore) Pte. Limited	23.82	4.71
ARC Management Fee received from	Edelweiss Financial Services Limited	12.06	-
Cost reimbursements recovered from	ECL Finance Limited	17.39	31.56
	Edelweiss Financial Services Limited	3.87	3.35
	Edelweiss Securities Limited	18.69	9.56
	Edelweiss Broking Limited	45.80	33.57
	Edelweiss Alternative Asset Advisors Limited	3.08	2.89
	Edelweiss Custodial Services Limited	8.53	2.85
	Edelcap Securities Limited	12.41	13.74
	Edelweiss Finance and Investments Limited	4.59	3.18
	Edelweiss Global Wealth Management Limited	0.50	0.62
	Edel Investments Limited	0.83	2.19
	Edelweiss General Insurance Company Limited	9.14	7.23
	Edelweiss Tokio Life Insurance Company Limited	9.80	8.76
	Edel Land Limited	1.59	0.93
	EdelGive Foundation	0.59	0.20
	Lichen Metals Private Limited	0.03	0.02
	Edelweiss Gallagher Insurance Brokers Limited	3.21	1.67
	Edel Finance Company Limited	0.28	0.36
	ECap Equities Limited	3.49	4.42
	Edelweiss Asset Management Limited	4.70	4.42
	Edelweiss Asset Reconstruction Company Limited	4.55	5.28
	Edelweiss Retail Finance Limited	1.28	1.91
	Edelweiss Finvest Private Limited	-	1.27
	Edelweiss Trusteeship Company Limited	0.01	-
	Edelweiss Capital Services Limited	0.01	-
Expenses			
Clearing expenses to	Edelweiss Custodial Services Limited	8.65	17.43
Contribution towards corporate social responsibilities	Edelgive Foundation	18.02	21.94
Cost reimbursement to	Edelweiss Financial Services Limited	116.80	86.12
	ECap Equities Limited	27.28	35.20
	Edelweiss Broking Limited	1.85	12.10
	Edelweiss Securities Limited	7.03	6.07
	Edelweiss Asset Management Limited	0.00	0.59
	Edelweiss Retail Finance Limited	24.63	20.24
	Edelweiss Alternative Asset Advisors Limited	16.62	39.80
	Edelweiss Custodial Services Limited	14.27	1.48
	Edel Investments Limited	-	0.46
	Edel Land Limited	3.06	0.54
	Edelcap Securities Limited	3.04	2.33
	Edelweiss Finance and Investments Limited	0.41	0.70
	Edelweiss Global Wealth Management Limited	-	0.02
	ECL Finance Limited	117.11	23.49
	Edelweiss Asset Reconstruction Company Limited	-	0.15
	Edelweiss Finvest Private Limited	-	0.06
	Edel Finance Company Limited	-	0.03

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	EdelGive Foundation	-	0.01
	Edelweiss Gallagher Insurance Brokers Limited	-	0.02
	Edelweiss General Insurance Company Limited	-	0.07
	Edelweiss Tokio Life Insurance Company Limited	-	0.04
	Edelvalue Partners	-	0.04
Advisory Fees paid to	Edelweiss Alternative Asset Advisors Limited	9.32	-
Group mediclaim insurance paid to	Edelweiss General Insurance Company Limited	0.02	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	-	3.02
ESOP cost reimbursement	Edelweiss Financial Services Limited	-	14.59
Brokerage and commission expenses	Edelweiss Securities Limited	6.76	5.95
	Edelweiss Broking Limited	0.01	-
	ECL Finance Limited	0.04	-
	Edel Land Limited	0.04	-
	ECap Equities Limited	0.05	-
	Edel Investments Limited	0.41	-
Donation expenses	EdelGive Foundation	3.50	17.57
Interest expenses on loans from	ECap Equities Limited	306.82	977.80
	Edelweiss Financial Services Limited	352.58	0.29
	Edel Finance Company Limited	22.04	0.69
	ECL Finance Limited	125.19	262.13
	Lichen Metals Private Limited	5.02	18.61
	Edelweiss Insurance Brokers Limited	-	0.17
	Edel Investments Limited	18.16	2.01
	Edelweiss Finvest Private Limited	-	71.43
	Edelweiss Securities And Investments Private Limited	1.51	25.62
	Edelweiss Retail Finance Limited	135.27	118.20
Interest expenses on Security deposit	ECL Finance Limited	60.50	1.99
	Edelweiss Global Wealth Management Limited	9.07	0.30
	ECap Equities Limited	12.10	0.40
Interest expenses on debentures	ECap Equities Limited	354.81	91.33
	ECL Finance Limited	3.66	0.21
	Edelweiss Finance & Investments Limited	17.35	0.02
	Edelcap Securities Limited	235.58	-
	Edel Land Limited	198.06	-
	Edel Investments Limited	6.92	-
	Edel Finance Company Limited (Refer note no 5)	2.63	-
	Edelweiss Tokio Life Insurance Company Limited	18.46	-
	Edelweiss Retail Finance Limited	0.24	-
Interest / dividend on preference shares	ECL Finance Limited	68.86	63.39
	Edelweiss Securities Limited	4.53	63.39
	Edel Finance Company Limited (Refer note no 5)	52.39	0.58
	Edelweiss Tokio Life Insurance Company Limited	-	(16.38)
	ECap Equities Limited	88.12	-
Management fees paid to	Edelweiss Asset Reconstruction Company Limited	55.69	-
Rating fees to and Bank guarantee commission	Edelweiss Financial Services Limited	0.32	1.16
Corporate Guarantee support fee	Edelweiss Financial Services Limited	170.18	-
	Edel Land Limited	0.01	-
Professional fees paid to	Edelweiss Financial Services Limited	0.06	-
Balances with related parties as on 31 March 2021 - (Assets)			
Accrued interest income on loans given			

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edelweiss Securities Limited	-	2.38
	Edelweiss Broking Limited	-	18.99
	Edelweiss Financial Services Limited	-	13.42
	Edelweiss Alternative Asset Advisors Limited	-	4.47
	Edelweiss Global Wealth Management Limited	2.42	1.75
	Edel Investments Limited	-	6.08
	ECL Finance Limited	1.57	11.90
	Edelweiss Custodial Services Limited	-	4.93
	Edelweiss Finance and Investments Limited	-	0.34
	Edelweiss Retail Finance Limited	8.14	-
	Edelweiss Multi Strategy Fund Advisors LLP	-	0.27
	ECap Equities Limited	112.69	52.76
	Edelweiss Securities And Investments Private Limited	0.08	-
	Lichen Metals Private Limited	-	0.09
	Edel Land Limited*	6.57	1.95
	Edel Finance Company Ltd	11.48	40.76
Accrued interest on margin	Edelweiss Custodial Services Limited	-	0.84
Interest receivable on debentures from	Edelweiss Retail Finance Limited	0.04	0.04
	Edelweiss Asset Reconstruction Company Limited	0.21	-
	ECL Finance Limited	249.96	202.73
	Edel Finance Company Limited (Refer note no 5)	1.78	1.78
Investment in Partnership Firm	Edelweiss Wealth Advisors LLP	-	3.54
	Edelweiss Multi Strategy Fund Advisors LLP	0.05	752.50
	Edelweiss Resolution Advisors LLP	0.07	-
Investments in equity shares in	Edelweiss Asset Reconstruction Company Limited	446.43	446.43
	ECL Finance Limited	-	3,862.84
	Lichen Metals Private Limited	-	2.69
Investments in preference shares in	ECap Equities Limited(After Deemed Contribution)	-	881.34
Investment in others	Edelweiss Value and Growth Fund	598.02	595.99
	Edelweiss Private Equity Tech Fund	199.36	205.10
	India Credit Investment Fund II	1,502.16	-
Partner's current account - receivable from	Edelweiss Resolution Advisors LLP	0.63	3.54
	Edelweiss Multi Strategy Fund Advisors LLP	6.01	426.82
Investments in debentures of	10.25% ECL Finance Limited Perpetual Bonds	2,120.60	2,049.61
	ECAP Equities Limited	4,000.01	-
	Edel Land Limited	600.00	-
Investment in debt instruments of	Edelweiss Asset Reconstruction Company Limited	1,493.78	-
Margin on trading of securities (net)			
Margin Payable to	Edelweiss Custodial Services Limited	(1.57)	0.60
	Edelweiss Securities Limited	0.37	0.11
Trade receivables from	ECL Finance Limited	-	66.15
	Edelweiss Broking Limited	1.00	14.62
	Edelweiss Securities Limited	-	24.42
	ECap Equities Limited	-	9.45
	EC Global Limited	-	24.32
	Edelweiss Asset Reconstruction Company Limited	-	19.92
	Edelweiss Custodial Services Limited	0.02	10.53
	Edelweiss General Insurance Company Limited	0.15	103.75
	Edelweiss Global Wealth Management Limited	-	1.59
	Edelweiss Retail Finance Limited	0.61	0.18
	Edelcap Securities Limited	-	20.78
	Edelweiss Finance and Investments Limited	0.02	12.57
	Edelweiss Asset Management Limited	0.04	4.65
	Edelweiss International (Singapore) Pte. Limited	30.92	4.71
	Edelweiss Gallagher Insurance Brokers Limited	-	18.41

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	Edel Investments Limited	-	4.41
	Edelweiss Multi Strategy Fund Advisors LLP	-	0.14
	Edelweiss Securities And Investments Private Limited -	-	0.06
	Edel Land Limited	-	0.33
	Edel Finance Company Limited	3.99	0.92
	Edelweiss Securities (IFSC) Limited	-	0.01
	Edelweiss Capital (Singapore) Pte. Limited	0.02	0.02
	EdelGive Foundation	(0.56)	0.01
	Lichen Metals Private Limited	-	0.03
	Edelweiss Integrated Commodity Management Limited	-	0.14
	Edelweiss Tokio Life Insurance Company Limited	0.00	66.30
	Edelweiss Alternative Asset Advisors Limited	-	7.34
	Edelweiss Financial Services Limited	0.01	0.65
Other receivable from	Edelweiss Securities Limited	0.09	-
	ECL Finance Limited	13.56	-
	Edelweiss Financial Services Limited	14.48	-
	Edelweiss Custodial Services Limited	0.07	-
	Edelweiss General Insurance Company Limited	0.04	-
	Edelweiss Global Wealth Management Limited	0.01	-
	Edelcap Securities Limited	0.03	-
	Edelweiss Finance and Investments Limited	0.50	-
	Edel Land Limited	0.12	-
	Edelweiss Alternative Asset Adviser Limited	0.02	-
	ESL Securities Limited	0.02	-
	Edelweiss Broking Limited	0.01	-
Short term loans and advances given to	Edelweiss Financial Services Limited	-	719.09
	Edelweiss Securities Limited	-	8.47
	Edelweiss Global Wealth Management Limited	1,050.14	943.95
	Edelweiss Alternative Asset Advisors Limited	1.19	1,121.11
	ECL Finance Limited	1,000.00	10.00
	Edelweiss Finance and Investments Limited	-	28.94
	Edelweiss Broking Limited	-	3.52
	ECap Equities Limited	6,116.57	7,054.19
	Edel Investments Limited	-	8.75
	Edelweiss Multi Strategy Fund Advisors LLP	-	31.41
	Lichen Metals Private Limited	-	264.71
	Edelweiss Custodial Services Limited	-	1,156.00
	Edel Land Limited	3,159.61	796.56
	Edelweiss Securities And Investments Private Limited -	23.88	797.13
	Edelweiss Finvest Private Limited	-	96.07
	Edel Finance Company Ltd	5,000.00	267.05
Stock in trade/ Nifty Linked Debentures	ECL Finance Limited	237.76	2,714.50
Security deposit given including accrued interest	ECap Equities Limited	80.91	80.32
Balances with related parties as on 31 March 2021 - (Liabilities)			
Dividend payable to	ECL Finance Limited	0.70	0.70
	Edelweiss Securities Limited	-	0.70
	ECap Equities Limited	0.70	-
Subordinated Preference Shares	ECL Finance Limited	843.38	774.53
	ECap Equities Limited	1,193.01	774.53
	Edel Finance Company Limited (Refer note no 5)	-	447.61
Accrued interest expense on loans taken from	ECap Equities Limited	24.02	31.17
	ECL Finance Limited	0.87	30.04
	Lichen Metals Private Limited	-	0.06
	Edelweiss Financial Services Limited	51.13	-
	Edel Finance Company Limited	0.05	3.77
	Edel Investments Limited	2.41	-
	Edelweiss Securities And Investments Private Limited	1.49	-
	Edelweiss Retail Finance Limited	-	5.63

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
Interest Payable-CCD	Edel Finance Company Limited (Refer note no 5)	0.01	-
Margin receivable from	Edelweiss Custodial Services Limited	505.44	-
	Edelweiss Securities Limited	6.00	-
Non convertible debentures held by	ECap Equities Limited	3,877.74	5,500.00
	ECL Finance Limited	158.38	24.57
	Edelweiss Finance & Investments Limited	0.16	0.16
	Edel Investments Limited	10.46	-
	Edel Land Limited	1,065.42	-
	Edelcap Securities Limited	1,469.33	-
	Edelweiss Tokio Life Insurance Company Limited	200.00	-
	Edelweiss Retail Finance Limited	7.60	-
Interest accrued but not due on Non convertible debentures held by	Edelweiss Finance and Investments Limited	0.01	0.01
	ECL Finance Limited	11.29	1.72
	Edelweiss Retail Finance Limited	0.52	-
Interest Payable on Debenture	ECap Equities Limited	60.52	-
	Edel Investments Limited	0.18	-
	Edel Land Limited	56.48	-
	Edelcap Securities Limited	44.08	-
	Edelweiss Tokio Life Insurance Company Limited	5.07	-
Nomination deposit payable to	Edelweiss Financial Services Limited	-	0.10
Rental deposits payable to	Edelweiss Asset Reconstruction Company Limited	50.00	50.00
	ECap Equities Limited	100.00	100.00
	ECL Finance Limited	500.00	500.00
	Edelweiss Global Wealth Management Limited	75.00	75.00
Trade payables to	Edelweiss Alternative Asset Advisors Limited	1.78	-
	Edelweiss Financial Services Limited	130.31	22.02
	Edelweiss Retail Finance Limited	1.87	2.15
	ECap Equities Limited	1.63	1.52
	Edelweiss Securities Limited	0.55	5.01
	Edelweiss Broking Limited	-	0.45
	Edelweiss Custodial Services Limited	-	0.09
	Edelcap Securities Limited	-	0.49
	ECL Finance Limited	87.01	4.54
	Edel Investments Limited	0.19	0.03
	Edelweiss Asset Management Limited	0.00	0.01
	Edelweiss Asset Reconstruction Company Limited	-	0.28
	Edelweiss Global Wealth Management Limited	0.20	-
	Edel Land Limited	0.01	-
	EC Global Limited	0.02	-
	Edel Finance Company Limited (Refer note no 5)	2.22	-
	ESL Securities Limited	0.38	-
Other payables to	Edelweiss Broking Limited	0.01	3.31
	ECL Finance Limited	-	0.10
	Edelweiss Financial Services Limited	17.31	14.59
	Edelweiss Securities Limited	0.14	0.13
	Edelweiss Asset Management Limited	-	4.84
	Edelweiss Custodial Services Limited	0.29	1.08
	Edel Finance Company Limited	0.02	-
	Edelweiss Finance & Investments Limited	0.11	-
	Edelweiss Retail Finance Limited	0.03	-
	Edelweiss Securities (IFSC) Limited	0.10	-
Short term loans taken from	Edel Finance Company Limited	5.51	-
	Edel Investments Limited	138.33	-
	Edelweiss Retail Finance Limited	-	2,163.00
	ECL Finance Limited	-	1,598.09

Edelweiss Rural Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Note to financials statements (Continued)

(Currency : Rupees in millions)

32 Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2020-2021	2019-2020
	ECap Equities Limited	0.52	1,503.31
	Edelweiss Financial Services Limited	2,197.08	-
Non convertible debentures outstanding	ECL Finance Limited	1,325.36	532.40
	Edelweiss Retail Finance Limited	16.04	14.43
	Edel Finance Company Limited (Refer note no 5)	28.13	20.56
Off balance sheet item			
Corporate guarantee given for			
	ECL Finance Limited	-	32,539.30
	Edel Finance Company Limited (Refer note no 5)	766.20	1,688.30
	Edelweiss Retail Finance Limited	-	417.00
Corporate guarantee given by	Edelweiss Financial Services Limited	3,336.71	37,954.13
	Edel Land Limited	300.82	-

* amount is less than Rs. 0.01 million

Note:

- (1) Previous year's figures have been restated where necessary.
- (2) As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party.
- (3) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
- (4) Loan given to subsidiaries and fellow subsidiaries are for the general corporate business.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

42 Contingent liabilities (to the extent not provided for):

(a)	Taxation matters in respect of which appeal is pending Rs.510 .00 million (Previous year: Rs. 462.51 million).
(b)	Corporate guarantee given by the Group to bank for Rs.1,890.58 million (Previous year: Rs.2,384.80 million) for availing Fund based Banking facilities by its subsidiary company Edelweiss Housing Finance Limited.
(c)	The Company has given guarantee of Rs. 766.20 millions (Previous year Nil) on behalf of Edelweiss Finvest Limited ('EFL'), a Edelweiss group 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 EFL

The Group's pending litigations comprise of proceedings pending with Income Tax, customs, sales tax/VAT and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its 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 Group 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 Group 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, Group 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.

43 Under Supply Chain Management agreements, the Group procures agriculture commodities from market for its clients. The Group has obtained an opinion that pursuant to provisions of the Sale of Goods Act, 1930, the title to the commodities remains with the Group until fulfilment of conditions by these clients. On the basis of the opinion, the Group has been accounting for these transactions as purchase and sale of agricultural commodities and showing unsold stock as inventory. All statutory returns under applicable laws are being filed based on the above premise. On account of the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories, at all locations, subsequent to the year end. The Group has performed roll back procedures to ensure the existence of inventory as at the year end.

a. Owned stock :

Under Supply Chain Management agreements, the Group procures agriculture commodities from market for its clients. The Group has obtained an opinion that pursuant to provisions of the Sale of Goods Act, 1930, the title to the commodities remains with the Group until fulfilment of conditions by these clients. On the basis of the opinion, the Group has been accounting for these transactions as purchase and sale of agricultural commodities and showing unsold stock as inventory. All statutory returns under applicable laws are being filed based on the above premise. As on March 31, 2021, there is no stock lying with the Group under the Supply Chain Management agreements.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

b. Third party stock.

The Group, as a part of its agriculture commodity business, deals with third party stock. The stock is stored at the warehouses for which the Group is entitled to a fee income.

Third Party Stock comprises of the following:

- Pure warehousing - These stocks are held purely for warehousing purposes in the warehouse of the Group (Off books)
- Pledged stock - These stock merely are held with the Group in the warehouses (Off books), i.e. this stock is funded by third parties like banks/NBFC's and is in the custody of Group

Particulars	31-Mar-21	31-Mar-20
	Rs millions	Rs millions
Pure warehousing stock (PWH)	5,380.00	9,260.00
Pledged stock	2,390.00	20,350.00
Total	7,770.00	29,610.00

The Group has a programme to cover all warehouses in a phased manner over the year. Accordingly, the Group has performed physical verification in line with the aforesaid programme. Discrepancies noticed with respect to stock as per physical verification with the stock as per stock register were accordingly adjusted in the books of accounts or were concluded as immaterial in nature requiring no further adjustments.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

44 Encumbrances on fixed deposits held by the Group:

i)	Fixed deposits aggregating to Rs. 29.62 millions (Previous year: Rs. 5.75 millions) have been pledged with exchanges for meeting margin deposit requirements.
ii)	Fixed deposits aggregating to Rs Nil millions (Previous year: Rs. 145.00 millions) have been pledged with banks for securing bank overdrafts.
iii)	Fixed deposits aggregating to Rs. 0.28 millions (Previous year: Rs. 0.28 millions) have been pledged with sales tax authorities for meeting deposit requirements.
iv)	Fixed deposits aggregating to 56.06 millions (Previous year: Rs. 23.39 millions) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
v)	Fixed deposits aggregating to Rs. 16.50 millions (Previous year: Rs. 18.40 millions) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
vi)	Fixed deposits aggregating to Rs. 41.88 millions (Previous year: Rs. 81.56 millions) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.
vii)	Fixed deposits aggregating to Rs. 762.40 millions (Previous year: Rs. 566.10 millions) have been pledged with banks for Letter of credit & securitisation.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

45 Earnings per share:

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.			
	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a)	Loss after tax (as per statement of profit and loss)	(8,798.18)	(4,441.46)
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	3,97,75,367	3,97,75,367
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	3,97,75,367	3,97,75,367
(c)	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) *	40,183,750	3,97,75,367
(d)	Basic earnings per share (in rupees) (a)/(b)	(221.20)	(148.75)
(e)	Diluted earnings per share (in rupees) (a)/(c)	(218.95)	(148.75)

*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")

46 Commitments (to the extent not provided for):

Capital:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is **Rs. 334.22** million (Previous year: Rs. 313.06 million).

Others:

Loan sanctioned pending disbursements: Rs 1,281.26 million as at 31 March 2021, Rs 484.19 million as at 31 March 2020.

47 Leases:

As a Lessee:

The Group had taken office premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2021 aggregated to **Rs.72.82** millions (Previous year: Rs. 78.46 millions) (Refer note 39) which has been included under the head other expenses as 'Rent' in the Statement of Profit and Loss.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

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

Particulars	As at	As at
	31 March 2021	31 March 2020
Balance as at April 1	353.54	318.57
Addition during year	20.74	149.80
Lease pre-closure	(188.28)	-
Depreciation/Amortisation for the year	(81.36)	(114.83)
Balance as at March 31	104.64	353.54

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

	As at	As at
	31 March 2021	31 March 2020
Balance as at April 1	418.21	361.99
Addition during year	19.56	149.92
Interest on lease liabilities	24.71	45.82
Lease pre-closure	(284.15)	-
Payments during the year/Repayment of lease obligation	(38.38)	(139.52)
Balance as at March 31	139.95	418.21

Amounts recognised in profit or loss:

	As at	As at
	31 March 2021	31 March 2020
Depreciation expense of right-of-use assets	81.36	114.83
Interest expense on lease liabilities	24.71	45.82
Reversal of lease pre-closure	(13.63)	-
Total	92.44	160.65

Total cash outflow for leases:

	As at	As at
	31 March 2021	31 March 2020
Cash outflow of long term leases	48.21	124.25
Cash outflow of short term leases	0.33	1.30
Total	48.54	125.55

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

	As at	As at
	31 March 2021	31 March 2020
Less than 1 year	36.30	50.70
1-3 years	68.46	315.07
3-5 years	40.92	40.23
More than 5 years	22.83	29.49
Total	168.51	435.49

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

48. Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits:

a) Defined contribution plan (Provident fund and national pension scheme):

An amount of Rs. 62.98 million (Previous year: Rs. 93.95 million) is recognized as expense and included in “Employee benefit expenses” – Note 36 in the statement of profit and loss.

b) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognised in the Statement of Profit and Loss, the funded status and amount recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Expenses recognized in the statement of profit and loss account:

Particulars	2021	2020
Current service cost	13.66	18.80
Interest cost	1.18	0.95
Expected return on plan asset	1.32	-
Past service cost	-	-
Actuarial (gain) or loss recognized in the year	(0.22)	(0.23)
Employer expense	15.94	19.52

Balance sheet

Reconciliation of Defined Benefit Obligation (DBO):

Particulars	2021	2020
Present value of DBO at the beginning of the year	98.18	95.71
Acquisition/ (Divesture)	-	-
Transfer in / (out)	(6.85)	(13.42)
Interest cost	5.27	5.71
Current service cost	12.74	18.79
Benefits paid	(20.55)	(9.61)
Past service cost	(0.02)	-
Actuarial (gain)/loss on obligation	3.47	1.00
Present value of DBO at the end of the year	92.24	98.18

Reconciliation of fair value of plan assets:

Particulars	2021	2020
Fair value of plan assets at the beginning of the year	96.48	89.08
Interest income on plan assets	4.73	5.05
Contributions	16.04	13.77
Benefits paid	(20.55)	(7.04)
Actuarial gain/(loss) on plan assets	11.10	(4.38)
Fair value of plan assets at the end of the year	107.80	96.48

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

48 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits (continued):

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

Particulars	2021	2020
Present value of defined benefit obligation	98.19	98.19
Fair value of plan assets at the end of the year	96.48	96.48
Amount recognized in balance sheet - asset/(liability)	(1.71)	(1.71)

Experience adjustments:

Particulars	2021	2020
On plan liabilities: (gain)/ loss	(5.82)	(4.51)
On plan assets: gain/ (loss)	(0.03)	-
Estimated contribution for next year	0.01	4.01

Principal actuarial assumptions at the balance sheet date:

Particulars	2021	2020
Discount rate	7%	7%
Salary escalation	7%	7%
Employee attrition rate	13% - 60%	13% - 60%
Expected return on plan assets	7.30%	7.30%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Sensitivity analysis:

DBO increases / (decreases) by	March-21	March-20
Increase of 1% in Salary Growth Rate	3.24	3.71
Decrease of 1% in Salary Growth Rate	(3.11)	(3.43)
Increase of 1% in Discount Rate	(3.13)	(3.40)
Decrease of 1% in Discount Rate	3.32	3.74
Increase of 1% in Attrition Rate	(0.14)	(0.47)
Decrease of 1% in Attrition Rate	0.15	0.48
Mortality (Increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (Increase in expected lifetime by 3 years)	Negligible change	Negligible change

Percentage Break-down of Total Plan Assets:

Particulars	2021	2020
Insurer Managed Funds (Unit-linked)	99.90%	99.90%
Cash and Bank	0.10%	0.10%

49 Employee Stock Option Plans

The Ultimate holding Company (Edelweiss Financial Services Limited (“EFSL”)) has Employee Stock Option Plans in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to Group’s employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Group has accepted such cross charge and recognised the same under the employee cost. Current year charge of **Rs.18.65** millions (previous year charge of Rs. 29.81 millions).

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

50 Cost sharing and other recoveries:

Cost sharing:

Edelweiss Financial Services Limited, being the ultimate 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 its certain subsidiaries including the Group. This cost so expensed is reimbursed by the Group 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 Group for the benefit of fellow subsidiaries are recovered as reimbursement by the Company from the subsidiaries on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 36 and 39 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 ultimate holding company, subsidiaries, fellow subsidiaries. The income in note 31 as Business support services income relates to amount recovered from these entities for the said services.

Other recoveries:

The income in note 34 relates to amount recovered from the ultimate holding Company, subsidiaries, fellow subsidiaries, and other external parties for occupying office premises in the Company's building.

51 Details of dues to micro enterprise and small enterprise:

Trade Payables includes **Rs.0.23** million (Previous year: Rs. 7.07 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Group during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said act.

Details of dues to micro and small enterprises as defined under the MSMED Act ,2006

Particulars	31 March 2021	31 March 2020
The principal amount and interest due thereon remaining unpaid to any supplier as at end of accounting year		
Principal amount due to micro and small enterprises	0.23	7.07
Interest due on above	-	-
Total	0.23	7.07

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

51 Details of dues to micro enterprise and small enterprise (continued) :

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

52 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 Group during the year was Rs. **21.52** millions (Financial Year 19-20 Rs 39.51 millions)
- ii) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	19.29 (39.51)	- -	19.29 (39.51)

Notes:

1. Figures in the bracket are in respect of previous year.

53 Risk Management framework:

a) Governance framework

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

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

b) Approach to capital management

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

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at 31 March 2021	As at 31 March 2020
Total Debt	76,370.61	84,438.45
Equity	3,829.70	2,615.23
Net Debt to Equity	19.94	32.28

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 Group is exposed to credit risk from its operating activities primarily trade receivables and financial instruments.

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

The Group's financial assets subject to the expected credit loss model within Ind AS 109 are short-term trade and other receivables and financial instruments. Group 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.

Group is exposed to credit risk on mutual fund investments, however these investment are not subjected to Ind AS 109 impairment requirements as they are measured at FVTPL. The carrying value of these investments, under Ind AS 109 represents the Group's maximum exposure to credit risk on financial instruments not subject to the Ind AS 109 impairment requirements on the respective reporting dates.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group 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:

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

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Significant increase in credit risk (SICR)

Group 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.

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 Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Group 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 Group 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.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach	Total
Impairment allowance as on 1 April 2019	479.28
Additions / (reductions) during the year	(29.54)
Impairment allowance as on 31 March 2020	449.74
Additions / (reductions) during the year	(11.89)
Impairment allowance as on 31 March 2021	437.85

Trade Receivables Ageing and Expected Credit loss (ECL):

Year ended	Days past due	0-90days	91-180 days	181-270 days	270- 360 days	more than 360 days	Total
31 March 2021	ECL rate	3.68%	21.56%	29.21%	6.08%	98.31%	57.48%
	Gross	260.39	35.63	27.21	20.06	418.48	761.77
	ECL	(9.58)	(7.68)	(7.95)	(1.22)	(411.42)	(437.85)
	Net	250.81	27.95	19.26	18.84	7.06	323.92
31 March 2020	Gross	575.34	138.53	146.03	29.03	409.33	1,298.26
	ECL	(5.69)	(13.51)	(99.50)	(7.15)	(323.89)	(449.74)
	Net	569.65	125.02	46.53	21.88	85.44	848.52

Note: While calibrating matrix, the Group has never experienced any historical credit loss on receivables within the Group entities. The Group has collateral against receivables, hence these receivables does not have any credit risk, thus no credit loss.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53. Risk Management framework (continued):

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

31 March 2021	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Retail Loans	1,275.82	129.86	1,145.96	1,850.70
Wholesale loans	2,204.83	1,321.01	883.82	765.43
Inter Corporate Deposit	1,114.07	1,114.07	-	-
Total financial assets at amortised cost	4,594.72	2,564.94	2,029.78	2,616.13
Loan commitments	13.98	1.40	12.58	20.28
Financial guarantee contracts*	2,656.50	-	2,656.50	-
Total	7,265.20	2,566.34	4,698.86	2,636.41

31 March 2020	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Retail Loans	738.39	107.60	630.80	3,012.46
Wholesale loans	1,297.04	657.83	639.21	709.84
Inter Corporate Deposit	1,114.07	620.45	493.62	-
Total financial assets at amortised cost	3,149.50	1,385.88	1,763.63	3,722.30
Loan commitments	-	-	-	-
Financial guarantee contracts *	35,569.30		35,569.30	-
Total	38,718.80	1,385.88	37,332.93	3,722.30

* Refer note no 54 on Collateral held and other credit enhancements

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Analysis of risk concentration

The Group's concentrations of risk are managed by client/counterparty and sector.

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

Industry analysis - Risk concentration for 31 March 2021

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Oil & gas	Media	Others including Commodity	Retail – Housing	Retail - Non Housing	Trading	Total
Financial assets											
Cash and cash equivalent and other bank balances	10,735.42	-		-	-	-	-	-	-	-	10,735.42
Bank Balance Other than Cash and Cash equivalents	46.33	-	-	-	-	-	-	-	-	-	46.33
Investment carried at FVTPL	4,219.42	-	-	-	-	-	-	-	-	-	4,219.42
Financial assets FVTPL	-	-		2,089.30	-	-	-	-	-	-	2,089.30
Stock in trade	2,676.24	-		-	-	-	587.19	-	-	-	3,263.42
Financial assets - Amortised cost	2,126.26	-		102.07	-	-	-	-	-	-	2,228.33
Trade and other receivables	215.97	-	-	-	-	-	107.95	-	-	-	323.92
Loans	20,511.57	-	33,254.32	1,187.96	-	60.00	-	-	-	-	55,013.85
Other Financial Assets	4,269.07	287.84s	-	-	-	-	-	-	-	-	4,556.91
Total Financial assets	44,800.28	287.84	33,254.32	3,379.33	-	60.00	695.14	-	-	-	82,476.90

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

Industry analysis - Risk concentration for 31 March 2021

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Oil & gas	Media	Others including Commodity	Retail – Housing	Retail - Non Housing	Trading	Total
Other Commitments	2,656.50	-	1,281.26	-	-	-	-	-	-	-	3,937.76
Total	47,456.78	287.84	34,535.58	3,379.33	-	60.00	695.13	-	-	-	86,414.66

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Industry analysis - Risk concentration for 31 March 2020

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Oil & gas	Media	Others including Commodity	Retail - Housing	Retail - Non Housing	Trading	Total
Financial assets											
Cash and cash equivalent and other bank balances	10,012.58	-	-	-	-	-	-	-	-	-	10,012.58
Investments carried at FVTPL	1,965.83	-	-	-	187.09	-	1	-	-	-	2,151.92
Financial assets carried at FVTPL	18.59	-	-	-	-	-	-	-	-	-	18.59
Stock in trade	813.57	-	-	-	-	-	-	-	-	-	813.57
Financial assets - Amortised cost	2,124.00	-	-	-	-	-	-	-	-	-	2,124.00
Trade and other receivables	465.14	-	7.42	-	-	-	375.96	-	-	-	848.52
Loans	13,485.99	-	42,196.70	1,475.64	255.87	363.91	-	-	-	-	57,778.11
Other Financial Assets	273.94	287.80	-	-	-	-	-	-	-	-	561.74
Total Financial assets	29,159.64	287.80	42,204.12	1,475.64	442.96	363.91	376.96	-	-	-	74,311.03
Other Commitments	2,384.80	-	449.19	35.00	-	-	-	-	-	-	2,868.99
Total	31,544.44	287.80	42,653.31	1,510.64	442.96	363.91	376.96	-	-	-	77,180.02

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

d) Liquidity Risk:

Liquidity risk is defined as the risk that the Group 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:

- Possibility that the Group could be required to pay its trade payables earlier than expected.
- Mismatch in maturity profile of assets and liabilities
- Delay in receipt of receivables including agency receivables

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

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

The Group also has undrawn borrowing facilities amounting to Rs.1,400.70 millions as on 31 March 2021 (as on 31 March 2020: Rs.2,320.00 millions)

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Analysis of financial assets and liabilities by remaining contractual maturities

Analysis of non-derivatives financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial liabilities as at 31 March. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at 31March 2021	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Trade payables	89.35	437.00	-	-	-	526.35
Debt securities	3,279.17	6,418.02	10,877.59	7,900.98	15,740.32	44,216.08
Borrowings (other than debt securities)	17,211.49	4,417.51	4,197.87	883.40	2,666.55	29,376.82
Deposits	-	-	-	-	-	-
Subordinated financial liabilities	-	-	56.25	2,160.36	561.18	2,777.79
Other financial liabilities	-	256.38	477.44	2,348.45	2,589.46	5,671.73
Total undiscounted non-derivative financial liabilities	20,580.01	11,528.91	15,609.15	13,293.19	21,557.51	82,568.77

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

As at 31 March 2020	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Trade payables	116.71	443.31	-	-	-	560.02
Debt securities	6,174.93	1,173.31	4,753.93	32,853.58	17,118.01	62,073.76
Borrowings (other than debt securities)	14,663.88	6,371.97	5,377.41	5,570.16	6,688.81	38,672.23
Deposits	-	-	-	-	-	-
Subordinated financial liabilities	-	-	556.25	1,914.40	617.59	3,088.24
Other financial liabilities	550.33	245.22	334.64	518.89	2,338.87	3,987.95
Total undiscounted non-derivative financial liabilities	21,505.85	8,233.81	11,022.23	40,857.03	26,763.28	1,08,382.20

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial assets as at 31 March.

As at 31 March 2021	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	9,823.01	69.13	827.49	17.17	44.94	10,781.75
Stock in trade	652.93	1,643.35	894.01	30.53	42.59	3,263.43
Trade receivables	116.43	108.86	98.63	-	-	323.92
Loans	3,606.11	2,593.48	10,941.35	29,131.66	8,741.25	55,013.85
Investments at fair value through profit or loss	25.12	-	1.00	4,193.30	-	4,219.42
Investments at amortised cost	-	-	-	7,179.48	-	7,179.48
Other financial assets	950.92	289.52	13.14	75.64	365.84	1,695.06
Total	15,174.52	4,704.34	12,775.62	40,627.78	9,194.62	82,476.91

As at 31 March 2020	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	9,196.33	124.04	603.25	37.84	51.12	10,012.58
Stock in trade	147.65	-	73.83	202.52	389.58	813.57
Trade receivables	67.44	425.32	355.75	-	-	848.51
Loans	4,178.93	5,706.04	15,195.64	19,536.25	54,011.72	98,628.58
Investments at fair value through profit or loss	-	-	35.44	953.72	18.59	1,007.75
Investments at amortised cost	-	99.44	-	-	3,168.74	3,268.18
Other financial assets	14.94	289.21	14.70	239.31	3.57	561.74
Total	13,605.29	6,644.05	16,278.61	20,969.64	57,643.32	1,15,140.91

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Maturity analysis for derivatives:

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given.

	As at	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Other net settled derivatives (other than those entered into for trading purposes)	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	-	-	-	-	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

e. Market risks

Risk which can affect the Group's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters.

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. Group 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 of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held as at year end..

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

Impact on	2020-21					
	Increase in currency rate (%)	Effect on profit before tax	Effect on interest rate risk(%)	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
INR Loans	0.25	35.74	-	0.25	-35.74	-
INR Borrowings	0.25	(11.63)	-	0.25	11.63	-

Impact on	2019-20					
	Increase in currency rate (%)	Effect on profit before tax	Effect on interest rate risk(%)	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
INR Loans	0.25	-	-	0.25	-	-
INR Borrowings	0.25	-	-	0.25	-	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

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.

The table below indicates the currencies to which the Group had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

Currency	2020-21					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	-	-	5	-	-

Currency	2019-20					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	114.93	-	5	(114.93)	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

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.

Impact on	2020-21					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivative	5	179.29	-	5	(179.29)	
Mutual Funds	5	4.82	-	5	(4.82)	-

Impact on	2019-20					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	-	-	5	-	-
Mutual Funds	5	4.76	-	5	(4.76)	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

iv. Index price risk

Index 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 equity indices.

Impact on	2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Derivative	5	(101.36)	-	5	101.36	-

Impact on	2019-20					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Derivative	5	0.02	-	5	(0.02)	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

v. 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	2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Loans classified at FVTPL	5	104.47	-	5	(104.47)	-
Debt Securities	0.25	0.15	-	0.25	(0.15)	-

Impact on	2019-20					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Loans classified at FVTPL	5	273.96	-	5	(273.96)	-
Debt Securities	0.25	6.29	-	0.25	(6.29)	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Below table shows Group's exposure to market risk into Traded Risk and Non- Traded Risk

Particulars	31 March 2021			31 March 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	10,781.75	-	10,781.75	10,012.58	-	10,012.58
Financial assets at FVTPL	2,089.30	-	2,089.30	6,567.82	-	6,567.82
Stock in trade	3,263.43	3,263.43	-	813.57	813.57	-
Investment at FVTPL	4,219.42	-	4,219.42	-	-	-
Loans	52,924.55		52,924.55	57,927.65		57,927.65
Trade receivables	323.92	-	323.92	848.52	-	848.52
Financial investments– Amortised cost	7,173.80	-	7,173.80	7,340.23	-	7,340.23
Other assets	1,700.73	2.35	1,698.38	561.74	0.84	560.90
Total	82,476.90	3,265.78	79,211.12	84,072.11	814.41	83,257.70

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

Particulars	31 March 2021			31 March 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Liability						
Borrowings (other than Debt Securities)	26,362.35	-	26,362.35	33,048.34	-	33,048.34
Deposits	33.98	-	33.98	-	-	-
Debt securities	47,451.79	-	47,451.79	48,584.38	-	48,584.38
Subordinated Liabilities	2,556.47	-	2,556.47	2,805.93	-	2,805.93
Trade payables	526.35	-	526.35	560.02	-	560.02
Other liabilities	5,633.62	-	5,633.62	3,987.95	1.08	3,986.87
Total	82,564.56	-	82,564.56	88,986.62	1.08	88,985.54

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

53 Risk Management framework (continued):

Collateral held and other credit enhancements

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 March 2021	31 March 2020	Principal type of collateral
Financial assets			
Loans:			
Retail Loans	34,719.91	42,877.22	<i>Property; book receivables</i>
Wholesale loans- Credit Substitutes	3,771.28	7,773.95	<i>Diversified pool of Real Estate Projects, Land, bank balance, Equity shares</i>
ICD External	1,114.07	1,114.07	<i>No Collateral</i>
Wholesale loans- Group Loan	15,408.59	15,057.80	<i>No Collateral</i>
Trade receivables-Secured (Gross)	102.84	210.35	<i>Agri Stock , Securities & Bank guarantee</i>
Trade receivables-Others (Gross)	658.93	1,087.91	<i>Unsecured</i>
Debt instruments at amortised cost	6,720.61	2,394.59	<i>No Collateral</i>
Other Financial Assets	1,683.16	561.74	<i>No Collateral</i>
Total financial assets at amortised cost	64,179.39	71,077.63	
Financial assets at FVTPL (except equity)	19.51	-	<i>No Collateral</i>
Financial assets at FVTPL Stock in trade- except MF	4,199.91	847.68	<i>No Collateral</i>
Total financial instruments at fair value through profit or loss	4,219.42	847.68	
Total Financial assets	68,398.81	71,925.31	
Loan commitments	1,281.26	484.19	<i>Property ;book receivables</i>
Financial guarantee contracts	2,656.50	37,954.10	
Other commitments *	3,937.76	38,438.29	
Total	72,336.57	1,10,363.60	

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 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 analyses 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 March 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Stock in trade				
Other debt securities and preference shares	1,458.96	5.04	1,493.98	2,957.98
Mutual fund units	67.53	-	-	67.53
Equity instruments	0.03	-	-	0.03
Nifty linked debentures	-	-	237.88	237.88
Total Stock in trade	1,526.52	5.04	1,731.86	3,263.42
Investments				
Debt securities	-	-	-	-
Security receipts	-	-	1,787.46	1,787.46
Equity instruments	-	-	1.00	1.00
Investments in Funds	19.51	-	598.01	617.52
Investment in Tech fund	-	-	1,701.52	1,701.52
Others (Share warrants)	-	-	111.92	111.93
Total investments measured at fair value	19.51	-	4,199.91	4,219.42
Loans classified as FVTPL	-	-	2,089.30	2,089.30
Total financial assets measured at fair value on a recurring basis	1,546.03	5.04	8,021.08	9,572.14
Property Plant & Equipment at FVTOCI				
Land & Building	-	-	2,249.18	2,249.18
Grand Total	1,546.03	5.04	10,270.26	11,821.32

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments	0.12	-	-	0.12
Total derivative financial instruments	0.12	-	-	0.12
Stock in trade				
Other debt securities and preference shares	467.19	117.56	-	584.75
Mutual fund units	65.00	-	-	65.00
Equity instruments	0.33	-	-	0.33
Nifty linked debentures	-	-	163.49	163.49
Total Stock in trade	532.52	117.56	163.49	813.57
Investments				
Debt securities	-	-	-	-
Security receipts	-	-	1,144.17	1,144.17
Equity instruments	-	-	35.44	35.44
Investments in Funds	18.59	-	595.98	614.57
Investment in Tech fund	-	-	205.09	205.09
Others (Share warrants)	-	-	152.65	152.65
Total investments measured at fair value	18.59	-	2,133.33	2,151.92
Loans classified as FVTPL	-	-	5,479.21	5,479.21
Total financial assets measured at fair value on a recurring basis	551.23	117.56	7,776.03	8,444.82
Property Plant & Equipment at FVTOCI				
Land & Building	-	-	2,372.32	2,372.32
Grand Total	551.23	117.56	10,148.35	10,817.14

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

Particulars	31 March 2021			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):	17.12	-	-	17.12
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Embedded derivatives in market-linked debentures (provided entire liability is not designated at FVTPL)	-	-	-	-
Total derivative financial instruments (liabilities)	17.12	-	-	17.12
Total financial liabilities measured at fair value on a recurring basis	17.12	-	-	17.12

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):	-	-	-	-
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Embedded derivatives in market-linked debentures (provided entire liability is not designated at FVTPL)	-	-	-	-
Total derivative financial instruments (liabilities)	-	-	-	-
Total financial liabilities designated at FVTPL	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

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

Equity instruments and units of Alternative Investment Funds

The majority of equity instruments are actively traded on recognized 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 recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

Derivatives

The Group 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.

Group uses valuation models. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Group classify these embedded derivative as level 3 instruments

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

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.

Particulars	31 March 2021				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	41,425.38	42,617.11	-	-	42,617.11
Investments at amortised cost	2,120.60	2,120.60	-	-	2,120.60
Other financial assets	505.11	505.11	-	505.11	-
Total	44,051.09	45,242.82		505.11	44,737.71
Financial liabilities					
Debt securities	45,018.73	45,394.01	-	11,284.64	34,109.37
Borrowing other than debt securities	2,540.58	2,592.38	-	2,592.38	-
Subordinated liabilities	508.61	508.44	-	508.44	-
Trade payable	1.89	1.47	-	1.89	-
Other financial liabilities	0.57	0.50	-	0.57	-
Total Financial liabilities	48,070.38	48,496.80	-	14,387.92	34,109.37
Off Balance Sheet items					
Loan Commitments	1,281.26	640.63	-	-	640.63

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

d) Financial instruments not measured at fair value

Particulars	31 March 2020				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	56,781.77	47,965.24	-	-	48,808.07
Investments at amortised cost	2,124.01	1,318.19	-	1,318.19	-
Financial liabilities					
Debt securities	48,584.16	49,064.45	-	10,367.03	38,697.42
Borrowing (other than debt securities)	2,384.83	2,397.47	-	2,397.47	-
Subordinated liabilities	508.61	556.74	-	556.74	-
Trade payable	5.30	4.14	-	5.30	-
Other financial liabilities	0.49	0.41	-	0.49	-
Total Financial liabilities	51,483.39	52,023.21	-	13,327.03	38,697.42
Off Balance sheet items					
Loan Commitments	484.19	242.10	-	-	242.10

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value and hence not included in above disclosure. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity.

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

e) Movement in financial instrument 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							Total
	Investment in units of AIF	Investment in unquoted equity shares	Other investment classified as FVTPL	Debt Instrument classified as FVTPL	Nifty Linked Debenture	Investment in security receipts	Loans FVTPL	
At 1 April 2020	801.07	188.09	-	-	163.49	1,144.17	5,479.21	7,776.03
Purchase	1,590.67	-	-	-	4,946.06	701.91	33.75	7,272.39
Sales	-	-	-	-	4,028.15	58.90	111.44	4,198.49
Gains / (losses) for the period (2020-21) recognised in profit or loss	(92.21)	(75.15)	-	-	650.27	0.27	(3,312.22)	(2,829.04)
At 31 March 2021	2,299.53	112.94	-	-	1,731.67	1,787.45	2,089.30	8,020.89
Unrealised gains / (losses) related to balances held at the end of the period	266.06	(75.15)	-	-	3.10	(10.40)	(3,268.54)	(3,084.93)

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

Particulars	Financial assets							Total
	Investment in units of AIF	Investment in unquoted equity shares	Other investment classified as FVTPL	Debt Instrument classified as FVTPL	Nifty Linked Debenture	Investment in security receipts	Loans FVTPL	
At 1 April 2019	716.18	105.19	406.50	4,598.22	596.46	85.12	5,896.82	12,404.49
Purchase	-	150.90	-	-	14,376.42	1,044.88	1,026.95	16,599.15
Sales	218.79	51.78	412.28	4,585.31	12,485.20	0.15	113.85	17,867.36
Gains / (losses) for the period (2019-20) recognised in profit or loss	303.68	(16.22)	5.78	(12.91)	(2,324.19)	14.32	(1,330.71)	(3,360.25)
At 31 March 2020	801.07	188.09	-	-	163.49	1,144.17	5,479.21	7,776.03
Unrealised gains / (losses) related to balances held at the end of the period	295.39	(23.37)	-	-	3.22	(10.68)	(1,313.95)	(1,049.39)

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

f) Unobservable inputs used in measuring fair value categorized within Level 3-

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of Financial Instruments	Fair value of asset as on 31 March 2021	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	1731.86	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Expected gross recoveries	5%	112.30	5%	(112.30)
			Risk -adjusted discounted rate 11.5%-12.5%	0.5% to 1%	(23.36)	1%	23.91
Investments in units of AIF	2299.54	Net Assets Approach	Fair value of underlying investments	5%	119.31	5%	(119.31)
Investments in security receipts	1,787.46	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investment of the trust	Expected Future cash flows Risk adjusted discount rate	12.00% to 25.34% increase in risk adjusted discount rate	(8.56)	0.5% decrease in Risk adjusted discount rate	8.63
Investments in unquoted equity shares (including share warrants)	112.94	Comparable transaction and P/E and discounted cashflow	Fair value per share	5%	5.64	5%	(5.64)
Other investments classified as FVTPL	2,089.30	Comparable transaction value	Discount rate	1%	A 1%point change in the Discounting rate used in the fair valuation of level 3 assets does not have a significant impact in its value	1%	A 1%point change in the Discounting rate used in the fair valuation of level 3 assets does not have a significant impact in its value
Total	8,021.10				205.33		(204.71)

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

54 Fair value measurement (continued):

Type of Financial Instruments	Fair value of asset as on 31 March 2020	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	163.49	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Market index curve	5%	0.09	5%	(0.07)
			Risk -adjusted discounted rate 4.5%- 6%	1%	0.04	1%	(0.04)
Investments in units of AIF	801.07	Net Assets Approach	Fair value of underlying investments	5%	40.05	5%	(40.05)
Investments in security receipts	1,144.17	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investment of the trust	Expected Future cash flows Risk adjusted discount rate	0.50% increase in risk adjusted discount rate	(4.64)	0.5% decrease in Risk adjusted discount rate	4.69
Investments in unquoted equity shares (including share warrants)	188.09	Comparable transaction and P/E and discounted cashflow	Fair value per share	5%	9.40	5%	(9.40)
Other investments classified as FVTPL	5,479.21	Comparable transaction value	Discount rate	-	A 1%point change in the Discounting rate used in the fair valuation of level 3 assets does not have a significant impact in its value	-	-
Total	7,776.03				44.94		(44.87)

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

55 Derivative financial instruments:-

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

Particulars	31 March 2021					Fair value of liability
	Notional		Fair value of asset	Notional		
	Unit	Notional amount*		Unit	Notional amount*	
(i) Currency derivatives						
-Currency Futures	Number of currency units	-	-	Number of currency units	-	-
Less: Amount offset (refer note 56 - offsetting disclosure)	Number of currency units	-	-	Number of currency units	-	-
Total Derivative Financial Instruments		-	-		-	-
(ii) Index linked derivatives						
'-Index Futures	Number of currency units	28,84,475	19.12		24,08,547	14.31
Less: Amount offset (refer note 56 - offsetting disclosure)	Number of currency units	(28,84,475)	(19.12)		(24,08,547)	(14.31)

Particulars	31 March 2020					Fair value of liability
	Notional		Fair value of asset	Notional		
	Unit	Notional amount*		Unit	Notional amount*	
(i) Currency derivatives						
-Currency Futures	Number of currency units	30.00	29.14	Number of currency units	-	-
Less: Amount offset (refer note 56 - offsetting disclosure)	Number of currency units	30.00	(29.14)	Number of currency units	-	-
Total Derivative Financial Instruments			-			-
(ii) Index linked derivatives						
'-Index Futures	Number of currency units	57,600	0.12		44,650	0.07
Less: Amount offset (refer note 56 - offsetting disclosure)	Number of currency units	57,600	(0.12)		44,650	(0.07)

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

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

56 Offsetting:

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet.

Financial assets subject to offsetting

At 31 March 2021	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	19.12	19.12	-	-	-	-	-

At 31 March 2020	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	29.25	29.25	-	-	-	-	-

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

56 Offsetting (continued):

Financial liabilities subject to offsetting

At 31 March 2021	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	17.12	17.12	-	-	-	-	-

At 31 March 2020	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	0.07	0.07	-	-	-	-	-

* As at the reporting date, the amount of cash margin received has been offset against the gross derivative assets. Similarly, the amount of cash margin paid has also been offset against the gross derivative liabilities.

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

57 Investments:

As at 31 March 2021

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, Other group companies) (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) Other Edelweiss Group companies							
a) Equity	-	-	-	-	-	446.43	446.43
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(iv) Preference shares	-	-	-	-	-	-	-
(v) Security receipts			1,787.46	-	1,787.46	-	1,787.46
(vi) Others - Investment In Partnership Firm Group	-	-	-	-	-	6.76	6.76
(vii) Others - Investment In Funds	-	-	2,206.49	-	2,206.49	-	2,206.49
(viii) Others - Units of Tech Fund	-	-	199.35	-	199.35	-	199.35
(ix) Share Warrants	-	-	154.47	-	154.47	-	154.47
(x) Investments in CCD	-	-	-	-	-	4,600.01	4,600.01
TOTAL - Gross (A)	2,126.26	-	4,348.77	-	4,348.77	5,053.20	11,528.23
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	2,126.26	-	4,348.77	-	4,348.77	5,053.20	11,528.23
Total (B)	2,126.26	-	4,348.77	-	4,348.77	5,053.20	11,528.23
Less: Allowance for impairment (C)	5.66	-	129.35	-	129.35	-	135.01
Total Net (A-C)	2,120.60	-	4,219.42	-	4,219.42	5,053.20	11,393.22

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

57 Investments (continued) :

As at 31 March 2020

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, Other group companies) (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	2,129.67	-	-	-	-	-	2,129.67
(ii) Equity instruments	-	-	35.44	-	35.44	-	35.44
(iii) Other Group companies							
a) Equity	-	-	-	-	-	3,684.69	3,684.69
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	1,508.61	1,508.61
(iv) Preference shares	-	-	-	-	-	-	-
(v) Security receipts			1,144.17	-	1,144.17	-	1,144.17
(vi) Others - Investment In Partnership Firm Group	-	-	-	-	-	4.40	4.40
(vii) Others - Investment In Funds	-	-	614.57	-	614.57	-	614.57
(viii) Others - Units of Tech Fund	-	-	205.09	-	205.09	-	205.09
(ix) Share Warrants	-	-	152.65	-	152.65	-	152.65
TOTAL - Gross (A)	2,129.67	-	2,151.92	-	2,151.92	5,197.70	9,479.29
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	2,129.67	-	2,151.92	-	2,151.92	5,197.70	9,479.29
Total (B)	2,129.67	-	2,151.92	-	2,151.92	5,197.70	9,479.29
Less: Allowance for impairment (C)	5.66	-	-	-	-	-	5.66
Total Net (A-C)	2,124.01	-	2,151.92	-	2,151.92	5,197.70	9,473.63

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

58 Income Tax:

The components of income tax expense for the years ended 31 March 2021 and 2020 are:

Particulars	2020-21	2019-20
Current tax	62.70	121.06
Adjustment in respect of current income tax of prior years	(126.81)	(56.95)
Deferred tax relating to origination and reversal of temporary differences	491.23	(801.41)
Deferred tax recognised on unused tax credit or unused tax losses	(34.47)	(25.63)
Total tax charge	392.65	(762.93)

Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge 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 2021 and 2020 is, as follows:

Particulars	2020-21	2019-20
Accounting profit before tax as per financial statements	(8,405.53)	(5,204.39)
Tax rate (in percentage)	34.94%	34.94%
Income tax expense calculated based on this tax rate	(2,937.23)	(1,823.21)
Adjustment in respect of current income tax of prior years	(126.81)	(61.27)
Others -share of partnership firm / dividend Income	(1.73)	(0.83)
Tax break of deduction u/s 36(1)(viii) of Income tax Act, 1961	(0.76)	(0.79)
Deduction u/s 35D of Income tax Act, 1961	(0.08)	(0.18)
Penalties	-	1.22
Preference shares cost	32.74	57.45
Standard Deduction and Property Tax on House Property Income	(3.39)	4.91
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	1,909.37	1,062.87
Losses without DTA	1,298.32	-
Minimum alternate tax on book profits (incremental portion)	-	0.03
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	-	(2.45)
Others (including Tax Rate changes)	216.40	(4.63)
Effect of non-recognition of deferred tax asset on current-period losses	5.82	3.95
Tax charge for the year recorded in P&L	392.65	(762.93)

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

59 Deferred Tax: -

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Opening deferred tax asset / (liability) as per Ind AS	On Account of Consolidation	Adjusted Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
				Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:										
Property, Plant and Equipment	(594.72)	-	-	40.18	-	(0.14)	-	-	40.04	(554.68)
Stock in trade & Investments	(301.58)	-	-	(52.31)	-	-	-	-	(52.31)	(353.89)
Employee benefits obligations	88.72	-	-	14.62	(5.39)	-	-	-	9.23	97.95
Fair valuation of Derivatives	(7.73)	-	-	81.88	-	-	-	-	81.88	74.15
Borrowings	(124.52)	-	-	(29.92)	-	-	-	-	(29.92)	(154.44)
Loans given	1,136.07	-	-	(159.90)	-	-	-	-	(159.90)	976.17
ESOP cost	0.07	-	-	-	-	-	-	-	-	(0.07)
Provision for expected credit loss	(154.64)	634.05	-	(159.23)	-	-	-	-	474.82	320.18
Retirement Benefits	-	-	-	(0.01)	-	-	-	-	(0.01)	(0.01)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	573.85	-	-	(72.88)	-	-	-	-	(72.88)	500.97
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	582.23	-	-	(135.24)	-	-	-	-	(135.24)	446.99

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

59 Deferred Tax (continued):

	Opening deferred tax asset / (liability) as per Ind AS	On Account of Consolidation	Adjusted Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
				Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Share of profit from partnership firm	-	-	-	-	-	-	-	-	-	-
Reversal of fee income	86.80	-	-	-	-	-	-	-	-	86.80
Capitalised borrowing costs on building	(34.72)	-	-	-	-	-	-	-	-	(34.72)
Effective interest rate on financial assets	4.80	-	-	5.16	-	-	-	-	5.16	9.96
Stage 3 Income recognition	(6.18)	-	-	4.31	-	-	-	-	4.31	(1.87)
Interest spread on assignment transactions	(83.13)	-	-	(24.74)	-	-	-	-	(24.74)	(107.87)
Effective interest rate on financial Liabilities	(17.36)	-	-	-	-	-	-	-	-	(17.36)
Others	(10.64)	-	-	31.32	-	(97.96)	-	-	(66.64)	(77.28)
Total	1,137.32	634.05	-	(456.76)	(5.39)	(98.10)	-	-	73.80	1,211.13

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

59 Deferred Tax (continued):

	Opening deferred tax asset / (liability) as per Ind AS	On Account of Consolidation	Adjusted Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2019-20)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
				Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Other		
Deferred taxes in relation to:										
Property, Plant and Equipment	(102.72)	-	-	40.12	(540.49)	8.38	-	-	(491.99)	(594.71)
Stock in trade & Investments	(494.76)	-	-	193.18	-	-	-	-	193.18	(301.58)
Employee benefits obligations	30.76	-	-	56.26	1.70	-	-	-	57.96	88.72
Fair valuation of Derivatives & Investments	20.32	-	-	(28.04)	-	-	-	-	(28.04)	(7.72)
Borrowings	(127.03)	-	-	2.48	-	-	-	-	2.48	(124.55)
Loans given	398.40	-	-	737.67	-	-	-	-	737.67	1,136.07
ESOP cost	-	-	-	0.07	-	-	-	-	0.07	0.07
Provision for expected credit loss	129.68	-	-	(284.34)	-	-	-	-	(284.34)	(154.64)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	597.03	-	-	(23.19)	-	-	-	-	(23.19)	573.84s
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	584.71	-	-	(2.45)	-	-	-	-	(2.45)	582.26

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

59 Deferred Tax (continued):

	Opening deferred tax asset / (liability) as per Ind AS	On Account of Consolidation	Adjusted Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2019-20)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
				Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Share of profit from partnership firm	-	-	-	-	-	-	-	-	-	-
Reversal of fee income	86.80	-	-	-	-	-	-	-	-	86.80
Capitalised borrowing costs on building	(34.72)	-	-	-	-	-	-	-	-	(34.72)
Effective interest rate on financial assets	(3.55)	-	-	8.35	-	-	-	-	8.35	4.80
Stage 3 Income recognition	(25.91)	-	-	19.73	-	-	-	-	19.73	(6.18)
Interest spread on assignment transactions	(193.21)	-	-	110.98	-	-	-	-	110.08	(83.13)
Effective interest rate on financial Liabilities	(35.32)	-	-	17.96	-	-	-	-	17.96	(17.36)
Others	3.44	-	-	(20.85)	(0.05)	6.83	-	-	(14.05)	(10.59)
Total	833.92	-	-	827.04	(538.84)	15.21	-	-	303.41	1,137.33

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

60 Credit Quality:

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 53 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53

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

Particulars	31 March 2021				31 March 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	47,677.87	-	-	47,677.87	53,335.89	-	-	53,335.89
Standard grade	-	4,432.10	-	4,432.10	-	3,115.27	-	3,115.27
Substandard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	3,788.06	3,788.06	-	-	3,186.20	3,186.20
Total	47,677.87	4,432.10	3,788.06	55,898.03	53,335.89	3,115.27	3,186.20	59,637.36

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

60 Credit Quality (continued):-

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

Particulars	Non-credit impaired				Credit impaired		POCI		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	Gross carrying amount	Allowance for ECL				
As at 1 April 2020	53,335.89	65.23	3,115.27	239.36	3,186.20	1,405.19	-	-	59,637.36	1,709.78
Transfers:							-	-		
Transfers to 12 Month ECL (Stage 1)	412.66	30.53	(376.24)	(26.57)	(36.42)	(3.96)	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(2,965.61)	(6.65)	2,975.06	7.70	(9.45)	(1.05)	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(884.55)	(2.05)	(1,236.14)	(113.35)	2,120.69	116.07	-	-	-	0.67
Net remeasurement of ECL arising from transfer of stage	-	(6.74)	(65.20)	167.00	-	34.90	-	-	(65.20)	195.16
Net new and further lending/ (repayments)	(2,214.58)	(4.43)	20.22	(10.31)	92.63	1,176.84	-	-	(2,101.73)	1,162.10
Amounts written off (net)	(5.94)	(0.01)	(0.88)	(0.56)	(1,565.58)	(162.14)	-	-	(1,572.40)	(162.71)
As at 31 March 2021	47,677.87	75.88	4,432.10	263.28	3,788.07	2,565.85	-	-	55,898.03	2,905.00

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

60 Credit Quality (continued):

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

Particulars	Non-credit impaired				Credit impaired		POCI		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	Gross carrying amount	Allowance for ECL				
As at 1 April 2019	66,856.28	255.84	4,543.24	180.01	1,555.34	427.95	-	-	72,954.86	863.80
Transfers:										
Transfers to 12 Month ECL (Stage 1)	33.35	18.36	(18.40)	(16.84)	(14.95)	(1.52)	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(1,970.67)	(11.43)	1,984.21	12.79	(13.54)	(1.36)	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1,510.27)	(130.29)	(3,230.22)	(105.49)	4,740.49	235.78	-	-	-	-
Net remeasurement of ECL arising from transfer of stage	-	(17.62)	-	140.77	-	49.64	-	-	-	172.79
Net new and further lending/ (repayments)	(10,072.42)	(49.57)	(162.78)	28.71	(858.09)	1,081.82	-	-	(11,093.29)	1,060.96
Amounts written off (net)	(0.38)	(0.06)	(0.78)	(0.59)	(2,223.05)	(387.12)	-	-	(2,224.21)	(387.77)
As at 31 March 2020	53,335.89	65.23	3,115.27	239.36	3,186.20	1,405.19	-	-	59,637.36	1,709.78

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

61 Other Disclosures:

i) Change in liabilities arising from financing activities

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

Particulars	1 April 2020	Cash flows	Finance costs during the year	Others	31 March 2021
Debt securities	48,584.38	(6,228.30)	3,538.22	(207.84)	45,686.46
Borrowings other than debt securities	33,048.34	(6,156.33)	1,237.22	(1.52)	28,127.71
Deposits	-	-	-	-	-
Subordinated liabilities	2,805.93	(500.00)	250.52	(0.02)	2,556.43
Total liabilities from financing activities	84,438.65	(12,884.63)	5,025.96	(209.38)	76,370.60

Particulars	1 April 2019	Cash flows	Finance costs during the year	Others	31 March 2020
Debt securities	61,085.87	(16,607.15)	4,027.73	77.93	48,584.38
Borrowings other than debt securities	36,784.98	(5,035.69)	1,363.04	(63.99)	33,048.34
Deposits	33.98	(34.78)	0.80	-	0.00
Subordinated liabilities	2,308.30	381.59	115.90	0.14	2,805.93
Total liabilities from financing activities	1,00,213.13	(21,296.03)	5,507.47	14.08	84,438.65

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

62 Other Disclosures: (Continued)

ii) 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 2021

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	292.37
Service transferred over time	Enterprise cost sharing	1,206.37
Total revenue from contract with customers		1,498.74

For the year ended 31 March 2020

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	443.95
Service transferred over time	Enterprise cost sharing	1,700.77
Total revenue from contract with customers		2,144.72

63 Edelweiss Custodial Services Limited (“ECDSL”), an erstwhile subsidiary of the Edelweiss Financial Services Company (“EFSL”), challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court (“ACMM”), Mumbai. Since the investigation against the trading member, for which ECDSL was a clearing member, is still under process, the said investigative agency contended that it had no objection to setting aside the lien order upon ECDSL providing an undertaking to keep sufficient assets unencumbered. The matter is subjudice and has been listed for further hearing. On behalf of ECDSL, the Group has since provided the undertaking to keep sufficient assets amounting to Rs.2,519.50 millions belonging to the Group unencumbered and consequently the said lien order on ECDSL’s clearing bank account has been set aside on October 01,2020. The Group has been represented by ECDSL 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 Financial Year as at March 31 2021.

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

64 Estimation of uncertainties relating to the global health pandemic from COVID-19

The COVID-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. The Indian Government too has imposed lockdowns starting from March 24, 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic, including the current “second wave” on Groups’ financial statements, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI, and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. Since the situation continue to evolve, its effect on the operations of the Group may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor material changes in markets and future economic conditions.

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

65 .Additional information as required under Schedule III of Companies Act 2013 of enterprises consolidated as subsidiaries

Sr. No.	Name of Entity	Net Assets i.e Total Assets Less total liabilities		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
		As % of consolidated net assets	Amount in Rs Million	As % of consolidated profit or loss	Amount in Rs Million	As % of consolidated Other Comprehensive Income	Amount in Rs Million	As % of consolidated Total Comprehensive Income	Amount in Rs Million
	For FY 2020-21								
1	Parent Edelweiss Rural & Corporate Services Limited	58.94%	4,537.72	104.29%	(9,175.31)	169.44%	11.42	104.24%	(9,163.89)
	Subsidiaries : Indian								
2	Edelweiss Housing Finance Limited	99.08%	7,627.88	-0.42%	37.29	-32.79%	(2.21)	-0.40%	35.08
3	Edelweiss Comtrade Limited	0.21%	16.25	0.17%	(15.06)	-36.80%	(2.48)	0.20%	(17.54)
4	Edelweiss Investment Adviser Limited	-103.05%	(7,933.17)	60.02%	(5,280.88)	0.45%	0.03	60.07%	(5,280.85)
5	Allium Finance Private Limited	13.23%	1,018.77	-0.76%	67.07	-0.45%	(0.03)	-0.76%	67.05
6	EC Commodity Limited	-1.99%	(153.08)	0.98%	(85.79)	0.14%	0.01	0.98%	(85.78)
	Non-Controlling Interests	50.25%	3,868.75	-0.53%	46.56	-14.88%	(1.00)	-0.52%	45.56
	Adjustments arising out of Consolidation	-16.69%	(1,284.67)	-63.74%	5,607.94	14.89%	1.00	-63.80%	5,608.93
	Total	100.00%	7,698.45	100.00%	(8,798.18)	100.00%	6.74	100.00%	(8,791.44)

Edelweiss Rural & Corporate Services Limited
(formerly known as Edelweiss Commodities Services Limited)

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

65 .Additional information as required under Schedule III of Companies Act 2013 of enterprises consolidated as subsidiaries

Sr. No.	Name of Entity	Net Assets i.e Total Assets Less total liabilities		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
		As % of consolidated net assets	Amount in Rs Million	As % of consolidated profit or loss	Amount in Rs Million	As % of consolidated Other Comprehensive Income	Amount in Rs Million	As % of consolidated Total Comprehensive Income	Amount in Rs Million
	For FY 2019-20								
1	Parent Edelweiss Rural & Corporate Services Limited	64.96%	4,201.61	57.92%	(2,572.62)	175.25%	1003.78	40.55%	(1,568.84)
	Subsidiaries : Indian								
2	Edelweiss Housing Finance Limited	118.91%	7,690.74	-0.35%	15.55	-0.19%	(1.08)	-0.37%	14.47
3	Edelweiss Comtrade Limited	0.52%	33.79	-0.03%	1.33	-0.65%	(3.73)	0.06%	(2.40)
4	Edelweiss Investment Adviser Limited	-41.01%	(2,652.32)	69.45%	(3,084.81)	0.01%	0.05	79.74%	(3,084.76)
5	Allium Finance Private Limited	14.71%	951.72	-1.62%	71.92	0.00%	(0.01)	-1.86%	71.91
6	EC Commodity Limited	-1.04%	(67.30)	1.20%	(53.17)	-74.42%	(426.23)	12.39%	(479.40)
7	Ecap Equities Limited								
	Non-Controlling Interests	59.56%	3,852.47	-0.50%	22.01	-0.09%	(0.49)	-0.56%	21.52
	Adjustments arising out of Consolidation	-116.63%	(7,543.02)	-26.08%	1,158.33	0.08%	0.48	-29.95%	1,158.81
	Total	100.00%	6,467.69	100.00%	(4,441.46)	100.00%	572.77	100.00%	(3,868.69)

Edelweiss Rural & Corporate Services Limited
Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

66 Disclosure of interest in other entities

The table below shows details of non wholly owned subsidiaries of the Group that have material non controlling interests :

Sr No	Name of Subsidiary	Place of Incorporation	Proportion of ownership held by non controlling interest	Profit (loss) allocated to non controlling interests	
				31 March 2021	31 March 2020
1	Edelweiss Housing Finance Limited	India	44.77%	16.69	6.96
2	Allium Finance Private Limited	India	44.52%	29.87	32.02
3	Edelweiss Investment Adviser Limited*	India	0.55%	-	(16.97)

Summarised financial information in respect of each of the Group subsidiaries that have material non controlling interests is set out below. The summarised financial information below represents amounts before intra group eliminations.

Summarised Financial Information

Sr No	Particulars	Edelweiss Housing Finance Limited		Edelweiss Investment Adviser Limited*
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
1	Non-current assets	30,159.02	36,243.65	8,748.23
2	Current assets	19,151.98	14,264.61	14.63
3	Non current liabilities	25,721.10	31,751.30	15.85
4	Current liabilities	15,962.02	11,066.22	11,399.34
5	Equity attributable to owners of the company	4,212.88	4,247.60	(2,637.73)
6	Non Controlling Interest	3,415.00	3,443.14	(14.59)
	Particulars	Edelweiss Housing Finance Limited		Edelweiss Investment Adviser Limited
		FY 2020-21	FY 2019-20	FY 2019-20
1	Revenue from Operations	5,487.17	6,051.22	(856.77)
2	Total Income	5,510.54	6,073.90	(855.35)
3	Total Expenses	5,591.26	6,090.27	2,204.52
4	Profit/(Loss) before tax	(80.72)	(16.37)	(3,059.87)
5	Tax Expense	(118.01)	(31.92)	24.94
6	Profit/(Loss) after tax	37.29	15.55	(3,084.81)
7	Other Comprehensive income	(2.21)	(1.08)	0.05
8	Total Comprehensive income	35.08	14.47	(3,084.76)
9	Profit/(Loss) attributable to owners of the parent	20.60	8.59	(3,067.84)
10	Profit/(Loss) attributable to non controlling interest	16.69	6.96	(16.97)
11	Cash flow (used)/generated from operating activities	8,115.09	10,561.48	13.63
12	Cash flow (used)/generated Investing activities	16.93	(31.27)	(490.63)
13	Cash flow (used)/generated from financing activities	(3,605.37)	(6,194.65)	480.11
14	Net Cash inflow/(outflow)	4,526.65	4,335.56	3.11

* EIAL became 100% subsidiary on 9th March 21 & hence March 21 is not applicable

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

66 Disclosure of interest in other entities

Summarised Financial Information

	Particulars	Allium Finance Private Limited	
		As at 31 March 2021	As at 31 March 2020
1	Non-current assets	97.08	12.84
2	Current assets	926.18	949.43
3	Non current liabilities	0.11	0.06
4	Current liabilities	4.38	10.48
5	Equity attributable to owners of the company	565.21	528.01
6	Non Controlling Interest	453.56	423.71

	Particulars	Allium Finance Private Limited	
		FY 2020-21	FY 2019-20
1	Revenue from Operations	96.26	107.67
2	Total Income	96.26	107.67
3	Total Expenses	5.44	6.61
4	Profit/(Loss) before tax	90.82	101.06
5	Tax Expense	23.74	29.14
6	Profit/(Loss) after tax	67.08	71.92
7	Other Comprehensive income	(0.03)	-0.01
8	Total Comprehensive income	67.05	71.91
9	Profit/(Loss) attributable to owners of the parent	37.23	39.91
10	Profit/(Loss) attributable to non controlling interest	29.86	32.01
			-
11	Cash flow (used)/generated from operating activities	86.76	(27.96)
12	Cash flow generated from Investing activities	(86.89)	28.24
13	Cash flow (used)/generated from financing activities	-	-
14	Net Cash inflow/(outflow)	(0.13)	0.28

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Rupees in millions)

- 67** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 68** As required under section 203 of the Companies Act, 2013, the Company is in the process of appointing Company Secretary in place of Ms Rupa Agarwal who resigned with effect from the closing hours of August 17, 2021
- 69** Previous year comparatives

Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current year's presentation / classification.

As per our report of even date attached.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.301003E/E300005

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

per Shrawan Jalan
Partner
Membership No.: 102102

Ananya Suneja
Executive Director
DIN.: 007297081

Santosh Dadheech
Executive Director
DIN.: 00196204

Manoj Sharma
Chief Financial Officer

Mumbai
17 September 2021

Mumbai
17 September 2021

NOTICE OF THE 15TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 15th Annual General Meeting of the Members of Edelweiss Rural & Corporate Services Limited will be held on Monday, November 29, 2021 at 5.00 p.m. at the Corporate Office of the Company at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098 to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt:-
 - a. the audited Financial Statement of the Company for the financial year ended March 31, 2021, together with the Report of the Board and the Auditors thereon;
 - b. the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Santosh Dadheech (DIN: 00196204) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Holding of office or place of profit by Mr. Santosh Dadheech:**

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

“RESOLVED that pursuant to the applicable provisions of Companies Act, 2013 and the Rules framed thereunder, the approval of the Members be and is hereby accorded to enter into a contract/arrangement with Mr. Santosh Dadheech, a Director of the Company, to pay an amount of Rs. 5 lakhs per month with effect from December 1, 2021, for the services proposed to be rendered by him in his professional capacity.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be authorised on behalf of the Members of the Company to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution, and as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the Members of the Company.”

4. Material Related Party Transactions

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

“RESOLVED that pursuant to the provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Regulations) and all other applicable provisions, if any, of the Companies Act, 2013 and allied Acts, and pursuant to recommendations of the Audit Committee and the Board, the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to borrow money upto Rs. 1,000 crores from the Related Parties, lend money upto Rs. 1,000 crores to the Related Parties, receive support in the form of corporate guarantee upto an amount not exceeding Rs. 1,000 crores from the Related Parties and provide support in the form of corporate guarantee upto an amount not exceeding Rs. 1,000 crores to the Related Parties, in any financial year, for a period of 5 years commencing from December 1, 2021, on such terms and conditions as may be mutually agreed upon between the Board and the Related Parties.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be authorised on behalf of the Members of the Company to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution, and as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the Members of the Company.”

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

Shailly Kedia
Company Secretary
Membership No. A20240

Date: November 22, 2021
Place: Mumbai

Regd. Office: 2nd Floor, MB Towers, Plot No.5,
Road No. 2, Banjara Hills,
Hyderabad – 500 034
CIN: U45201TG2006PLC078157
Email: cs@edelweissfin.com

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The Meeting is convened at a shorter notice after obtaining the necessary consent of the members as required under the Companies Act, 2013.
3. Pursuant to the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished as an Annexure to the Notice.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of contracts or arrangements in which the Directors are interested will be available for inspection by the members at the AGM and at the Registered Office of the Company during the business hours on all working days up to the date of the AGM.
6. Copies of the Annual Report of the Company for the financial year ended March 31, 2021 are being sent to the members by hand delivery. Members may also note that the Notice of 15th AGM and the Company's Annual Report for 2020-21 will be made available on the Company's website at www.ercsl.edelweissfin.com. The physical copies of the documents required to be kept for inspection under Section 102 of the Companies Act, 2013 will also be available at the Company's registered office for inspection during business hours on every working day upto the date of AGM.
7. Route Map showing directions to reach venue of the 15th AGM is provided as a part of this Notice.

Annexure to the Notice dated November 22, 2021

**Explanatory Statement pursuant to the provisions of
Section 102 of the Companies Act, 2013**

Item No. 3:

Mr. Santosh Dadheech has resigned as an Executive Director of the Company with effect from the close of business hours of November 30, 2021. Mr. Dadheech would continue as Non-executive Director on the Board of Directors of the Company. The Board of Directors of the Company on the recommendations of the Nomination and Remuneration Committee and the Audit Committee had approved the proposal to enter into the contract/ arrangements with Mr. Santosh Dadheech, for holding office or place of profit in the Company at a remuneration of Rs. 5 lakhs per month with effect from December 1, 2021, for the services to be rendered by him in his professional capacity.

As per provisions of the section 188 of the Companies Act, 2013 and the Rules framed thereunder, the Members are requested to approve the Resolution set out in Item No. 3 of the Notice as an Ordinary Resolution.

The information required in this regard is as under:

Name of the Related Party	<p>Mr. Santosh Dadheech</p> <p>Brief Profile:</p> <p>Mr. Santosh Dadheech, is a Chartered Accountant and holds a Bachelor of Commerce degree from Jodhpur University. Mr. Dadheech's past experience includes stints at National Bulk Handling Corporation Ltd, where he acted as the Director of Business Development tasked with managing the supply chain, warehousing, collateral, and the overall bottom-line of the Company. He was also associated with Stewart & Mackertich Wealth Management Company, where he was responsible for the retail business, operations, finance, accounts, and derivatives as well as treasury desks. This was preceded by similar experience in IIT InvesTrust limited and Suresh Rathi & Company.</p>
Name of the Director or key managerial personnel who is related, if any	None

Nature of Relationship	Not Applicable
The nature, material terms, monetary value and particulars of the contract or arrangement	As per Item No. 3 of the Notice.
Any other information relevant or important for the Members to take a decision on the proposed resolution	None

Except Mr. Santosh Dadheech, none of the Directors and Key Managerial Personnel and their relatives, are concerned or interested in this item of business.

Item No. 4:

The Securities & Exchange Board of India (SEBI) vide Notification dated September 7, 2021, has amended the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations) thereby introducing additional compliance/requirements to an entity which has outstanding listed Non-convertible debt securities of value of Rs. 500 crores and more as on March 31, 2021 (“High Value Debt Listed Entities”).

The Company having principal listed debt securities of more than Rs. 500 crores as on March 31, 2021 is considered as High Value Debt Listed Entity and would be required to comply with the additional requirements as prescribed under the Listing Regulations.

The Board of Directors of the Company on the recommendations of the Audit Committee had approved to borrow money upto Rs. 1,000 crores from the Related Parties, lend money upto Rs. 1,000 crores from the Related Parties, receive support in the form of corporate guarantee upto an amount not exceeding Rs. 1,000 crores from the Related Parties and provide support in the form of corporate guarantee upto an amount not exceeding Rs. 1,000 crores to the Related Parties, in any financial year, for a period of 5 years commencing from December 1, 2021, on such terms and conditions as may be mutually agreed upon between the Company and the Related Parties. The proposed transactions would be in the ordinary course of business and at arm’s length basis.

As per provisions of the Listing Regulations, the Members are requested to approve the Resolution set out in Item No. 4 of the Notice as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMPs) and their relatives are concerned or interested in this item of business. The Directors and KMPs may be Director/KMPs of the Related Parties.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Secretarial Standard on General Meetings (SS-2)

Name of the Director	Mr. Santosh Dadheech
Date of Birth	January 25, 1965
Age	56
Date of Appointment	January 23, 2019
No. of Board Meetings attended during the financial year ended March 31, 2021	5
Qualification & Experience	Mr. Santosh Dadheech, is a Chartered Accountant and holds a Bachelor of Commerce degree from Jodhpur University. Mr. Dadheech's past experience includes stints at National Bulk Handling Corporation Ltd, where he acted as the Director of Business Development tasked with managing the supply chain, warehousing, collateral, and the overall bottom-line of the Company. He was also associated with Stewart & Mackertich Wealth Management Company, where he was responsible for the retail business, operations, finance, accounts, and derivatives as well as treasury desks. This was preceded by similar experience in IIT InvesTrust limited and Suresh Rathi & Company.
Directorships held in other companies	1. Agri Warehousing Service Providers (India) Association. 2. Agriconnect Solutions Private Limited
Memberships / Chairmanships of committees of other Boards	Nil
Number of Shares held in the Company	Nil
Inter-se relationship with other Directors and Key Managerial Personnel	None

Terms & Conditions of Appointment/ Re-appointment	Appointed as an Executive Director with effect from January 23, 2019 for a period of 3 years. From December 1, 2021, Mr. Dadheech would a Non-executive Director, liable to retire by rotation.
Details of Remuneration sought to be paid	Entitled for payment of remuneration as approved by the Members of the Company at the Extraordinary General Meeting held on January 30, 2019.
Remuneration last drawn by the Director	Rs. 9.85 million for the year ended March 31, 2021.

PROXY FORM

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

Edelweiss Rural & Corporate Services Limited

Corporate Identity No. (CIN): U45201TG2006PLC078157

Registered office: 2nd Floor, MB Towers, Plot No.5,

Road No. 2, Banjara Hills,

Hyderabad - 500034

Folio No./ Depository A/c No. _____

I/We, being the member (s) of Shares of the above named company, hereby appoint:

1. Name	2. Name	3. Name
Address	Address	Address
E-mail Id	E-mail Id	E-mail Id
Signature , or failing him	Signature , or failing him	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the Company, to be held on Monday, November 29, 2021 at 05.00 p.m. at Edelweiss House. Off C.S.T. Road, Kalina, Mumbai - 400 098 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
Ordinary Business			
1.	To consider and adopt:- a. the audited Financial Statement of the Company for the financial year ended March 31, 2021, together with the Report of the Board and the Auditors thereon; b. the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.		
2.	To appoint a Director in place of Mr. Santosh Dadheech (DIN: 00196204) who retires by rotation and, being eligible, offers himself for re-appointment.		

Special Business			
3.	Holding of office or place of profit by Mr. Santosh Dadheech.		
4.	Material Related Party Transactions.		

Signed this..... day of..... 2021.

Affix Revenue Stamp

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Edelweiss Rural & Corporate Services Limited
Corporate Identity No. (CIN): U45201TG2006PLC078157
Registered office: 2nd Floor, MB Towers, Plot No.5, Road No. 2, Banjara Hills,
Hyderabad – 500034

ATTENDANCE SLIP
15th Annual General Meeting – Monday, November 29, 2021 at 5.00 p.m.

Folio No. /Client ID No./DP Id No.	
No. of shares	

I/we certify that I/we am/are a Registered Member/Authorised Representative of Registered Member under Section 113 of the Companies Act, 2013 /Proxy for Registered Member of Edelweiss Rural & Corporate Services Limited.

I/we hereby record my/our presence at the 15th Annual General Meeting of the Company to be held on Monday, November 29, 2021 at 5.00 p.m. at the Corporate Office of the Company at Edelweiss House, Off. C.S.T Road, Kalina, Mumbai – 400 098 and at any adjournment thereof.

*Member's/ Authorised
Representative's/ Proxy's full name in block letters

Member's/ Authorised Representative/
Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the venue of the meeting.

* Please strike off whichever is not applicable

Route Map



Edelweiss Rural & Corporate Services Limited

CIN: U45201TG2006PLC078157

Regd. Off.: 2nd Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad 500 034 Tel No.: +91 40 40316900

Corporate Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400 098 Tel No.: +91 22 4009 4400

Email: cs@edelweissfin.com Website: www.ercsl.edelweissfin.com